CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

National income and expenditure in the third quarter of 1978

The effects of taxes and benefits on household income 1977

Employment analysed by sector and industry 1972-77

No 303
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Release dates of economic statistics to be published in February 1979

This list is published by the Government Statistical Service as a guide to the dates of publication of major economic series in February. The dates are those which Departments, or other organisations concerned, are aiming at, and would normally expect to meet. Exceptionally, there may be a delay resulting from unavoidable statistical problems of collection and compilation. Further enquiries about individual series should be addressed to the source named.

Publication date	Series	Method of release	Source
February 1979			
Fri 2	UK official reserves (January)	PN	HM Treasury
	Capital issues and redemptions (during the month of January)	PN	Bank of England
Mon 5	Retail sales (December–final)	PN	D of Trade
	Wholesale price index numbers (January–provisional)	PN	D of Industry
	Hire purchase and other instalment credit business (December)	PN	D of Trade
	Building Society house prices and mortgage advances (4th quarter)	PN	D of the Environment
Tues 6	Slum clearance (4th quarter)	PN	D of the Environment
	Housing starts and completions (December)	PN	D of the Environment
	House renovations – work completed (4th quarter)	PN	D of the Environment
	London clearing banks' monthly statement (mid-January)	PN	CLCB
	UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-January)	PN	Bank of England
Thurs 8	Provisional figures of vehicle production (January)	PN	D of Industry
Fri 9	Central government financial transactions (including borrowing requirement (January)	PN	HM Treasury
Mon 12	Retail sales (January–provisional)	PN	D of Trade
	Turnover of the catering trades (4th quarter)	PN	D of Trade
Tues 13	Index of industrial production (December–provisional)	PN	CSO
	Building Societies' receipts and loans (January)	PN	BSA
Wed 14	Balance of payments current account and overseas trade figures (January)	PN	D of Trade/CSO
	Basic rates of wages and normal weekly hours (January)	PN	D of Employment
	Monthly index of average earnings (December)	PN	D of Employment
Thurs 15	Finished steel consumption and stock changes (3rd qtr–final and 4th qtr–provisional)	PN	D of Industry
	UK banks' assets and liabilities and the money stock (mid-January)	PN	Bank of England
	London dollar and sterling certificates of deposit (mid-January)	PN	Bank of England
	Consumers' expenditure (4th quarter – 2nd preliminary estimate)	PN	CSO
	Building societies' mortgage survey, 5% sample survey results (4th quarter)	PN	D of the Environment
	Cyclical indicators for the UK economy (January)	PN	CSO
Fri 16	Retail prices index (January)	PN	D of Employment
	Usable steel production (January)	PN	BSC/BISPA
Sun 18	Department for National Savings' monthly progress report (January)	PN	D for National Savings
Mon 19	Turnover of the motor trades (4th quarter)	PN	D of Industry
	CBI Monthly Trends Inquiry (February)	PN	CBI
	Preliminary estimate of gross domestic product based on output data (4th quarter)	PN	CSO
Tues 20	Unemployment (February–provisonal)	PN	D of Employment
	Unfilled vacancies (February–provisional)	PN	D of Employment
	Construction – new orders (December)	PN	D of the Environment
Thurs 22	Car and commercial vehicle production (January–final)	PN	D of Industry
	Capital expenditure by the manufacturing, distributive and service industries (4th quarter – provisional)	PN	D of Industry
	Manufacturers' and distributors' stocks (4th quarter – provisional)	PN	D of Industry
	New vehicle registrations (January)	PN	D of Transport
Fri 23	Sales and orders in the engineering industries (November)	T and I	D of Industry
	Bricks and cement production (January)	PN	D of the Environment
Mon 26	Public sector borrowing requirement and details of local authority borrowing (4th quarter)	PN	CSO

PN—*Press Notice* T and I—*Trade and Industry*

CENTRAL STATISTICAL OFFICE

Economic Trends

No 303
January 1979

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Government Statistical Service

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The sources of the series published in this volume and further information about them are shown in the index. Current telephone numbers of these sources as well as general information about *Economic Trends* can be obtained from the Central Statistical Office, Great George Street, London SW1P 3AQ. Telephone 01-233 6135/6193.

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Introduction

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of recent economic events. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.
- The main section shows the movements of the key economic indicators over the last five years or so. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.
- A further chart shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 18 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology. The regular 'Round-up' feature contains notes on relevant articles appearing in other publications, news of developments in economic statistics and brief synopses of any new publications.

Notes on the tables

1. The main tables and charts in this issue contain information available to the CSO on 23 January. The 'Latest developments' section may contain later information.

2. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

Corrections to the December 1978 issue

Page 112, footnote 1 to Table 1 —
Delete December 1978 **Substitute** September 1978

Page 115, right-hand column —
Delete EQUALS NET BORROWING REQUIREMENTS
Substitute *EQUALS* NET BORROWING REQUIREMENT

Page 125, Table 5 (*continued*)
Other accruals adjustments
1972 **Delete** −39 **Substitute** −49

Investment in UK company securities
1967 **Delete** 239 **Substitute** 339
1969 **Delete** 258 **Substitute** 259

Symbols used:

.. not available or not meaningful
– nil or less than half the final digit shown
§ series for which measures of variability are given on page 68
† indicates that the data have been revised since last issue; the period marked is the earliest in the table to have been revised

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Latest developments in the economy[1]

Data available at 19 January 1979

Output

Figures up to November suggest that the underlying level of industrial output changed little over the preceding six months after making broad allowance for the effect of industrial disputes in the motor industry. Before such allowance, the average level of the index of industrial production in the three months September–November was 1½ per cent less than in the previous three months. The analysis by broad market sector suggests that, between the two periods, the output of the consumer goods industries fell by 1½ per cent, of the investment goods industries by 2½ per cent and of the intermediate goods industries by 1 per cent.

Steel production in December was 8 per cent less than in November, but 19 per cent more than in December 1977. Production during the year 1978 was ½ per cent less than in 1977.

Production of both cars and commercial vehicles recovered in December, following the ending of major strikes in the industry. Car production in the fourth quarter of 1978 was 29 per cent less than in the third, and output of commercial vehicles was down by 19 per cent. Car production in 1978 as a whole was 7 per cent less than in 1977. For commercial vehicles the reduction was 4 per cent.

Housebuilding

In the three months September–November, housing starts were 2 per cent up on the previous three months but 7 per cent less than in September–November 1977. Total completions in September–November were down 4 per cent on the previous three months and were 15 per cent less than a year earlier.

Consumers' expenditure

Preliminary estimates indicate that the volume of consumers' expenditure in the fourth quarter was slightly less than in the third quarter. There were increases in expenditure on food and beer and on clothing and footwear, but expenditure on fuel and light and on motor vehicles fell back. Taking the second half of 1978 as a whole, spending was about 2¾ per cent higher than in the first half year and 6¼ per cent higher than in the second half of 1977.

Provisional estimates suggest that the volume of retail sales in December was about 3 per cent more than in November and that sales in the fourth quarter were at much the same level as in the third. In the year 1978 as a whole, the volume of sales was about 5 per cent more than in 1977.

Investment intentions

It now appears that the volume of investment by manufacturing industry in 1978 was about 8 per cent more than in 1977. The results of the latest survey of investment intentions carried out by the Department of Industry point to a further increase of 4 to 8 per cent in 1979, but suggest that investment in 1980 may if anything be below the 1979 level. The volume of investment in the distributive and service industries (excluding shipping) in 1979 may be 3 to 7 per cent higher than in 1978, with a prospect of a similar increase in 1980.

Earnings and wage rates

Average earnings of all employees in Great Britain are estimated to have risen by 13·2 per cent between November 1977 and November 1978. This estimate is based on the monthly index for the whole economy which is not seasonally adjusted. The older series index, which is seasonally adjusted and covers the production industries and some services, was 0·4 per cent lower in November than in October.

The index of basic weekly wage rates (not seasonally adjusted) showed no change during December and, at the end of that month, was 16·4 per cent higher than in December 1977.

Prices (not seasonally adjusted)

The index of retail prices for all items in December was 204·2 (January 1974=100). This represents an increase of 0·8 per cent on November 1978 and of 8·4 per cent on December 1977.

The provisional wholesale price index for home sales of manufactured products increased by ¾ per cent in December. There were higher prices in particular for vehicles, mechanical engineering products, milk and milk products and bread and flour confectionery. The increase in the index for all manufactured products over a twelve month period was 8¼ per cent in December compared with 7¾ per cent in November.

Average prices of materials and fuel purchased by manufacturing industry rose by ½ per cent in December to a level 5 per cent higher than in December 1977.

Trade and the balance of payments

There was a visible trade surplus of £40 million in the fourth quarter of 1978, compared with a deficit of £334 million in the third quarter. There were reduced deficits on trade in food and in semi-manufactures (other than chemicals and precious stones), but the main contribution to the improvement came from the more erratic items where the balance swung by £277 million. The volume of exports rose slightly and the volume of imports fell by 1 per cent: the terms of trade index rose by 1 per cent.

The current account in the fourth quarter is estimated to have been in surplus by £400 million following a deficit of £18 million in the previous quarter. For the year 1978 as a whole, the current account surplus is provisionally put at £109 million; a visible deficit of £1,104 million being offset by a surplus on invisibles projected at £1,213 million.

[1] All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

Money stock

During the four weeks ended 13 December, the broader version of money stock (sterling M_3) rose by £470 million or 1·0 per cent. The narrower version (M_1) rose by £390 million or 1·6 per cent. Domestic credit expansion in the four weeks was £830 million, considerably more than in most recent months. The central government borrowing requirement was £590 million and was more than offset by sales of debt to the non-bank private sector, but the contribution of the rest of the public sector to domestic credit expansion was unusually high at £420 million. Bank lending to the UK private sector was a little above the average for recent months and there was a large increase in the banks' sterling lending overseas.

Economic events

December

14 Following their defeat the previous day in a vote on pay policy sanctions, the Government won a vote of confidence by 300 to 290 votes. During the debate, the Prime Ministry announced that discretionary action would no longer be used against private sector firms whose pay settlements breached the pay policy guidelines.

15 It was announced that the Republic of Ireland would join the European Monetary System, and would impose exchange controls in respect of the United Kingdom. In the short term, it was not expected that the parity of the British and Irish pounds would diverge.

17 The Organisation of Petroleum Exporting Countries (OPEC) decided to raise the price of crude oil by 14·5 per cent during 1979. This would be done in four stages, beginning with a rise of 5 per cent on January 1, 1979.

18 The Treasury announced that UK exchange controls would not be extended to the Republic of Ireland at the moment, but the situation would be kept under review.
The dollar fell heavily on the foreign exchange markets in response to the oil price rise announced by OPEC.

19 The Chancellor met the TUC economic committee to discuss how future talks on pay and prices policy might be approached.

21 The price Minister and the CBI met to discuss the current state of the pay and prices policy.
There was a growing threat of petrol shortages because of an overtime ban by delivery tanker drivers. A full-scale strike of tanker drivers was threatened for January 3.

January

1 The start of the European Monetary System was delayed pending agreement on adjustments to subsidy payments associated with the Common Agricultural Policy. However, the French franc and the Italian lira were linked unofficially to the other EEC currencies.

2 Road haulage drivers began an unofficial strike in support of their pay claim.

4 The Prime Minister went to Guadeloupe for summit talks with President Carter, President Giscard d'Estaing and Chancellor Schmidt.

8 The threat to petrol supplies receded when union members at Esso, Shell and British Petroleum voted to accept the companies' pay offers of about 15 per cent.

10 The Prime Minister returned from the Caribbean amid growing concern about the industrial situation.
Iran devalued the rial by over 8 per cent against the US dollar.

11 The Transport and General Workers' Union made the strike of road haulage drivers official, except in the West Midlands.
The Chancellor met representatives of the TUC to discuss the current industrial and economic situation.

15 Parliament resumed after the Christmas recess.

16 The Prime Minister announced further measures on prices and incomes:
- The pay guidelines would be relaxed to allow increases of £3·50 a week to lower paid people earning between £44·50 and £70.
- Comparability studies between jobs in the private sector and the non-trading public sector would be allowed.
- A short Bill would be introduced to increase the powers of the Price Commission.

17 The annual White Paper on public expenditure (Cmnd 7439) was published.

Selected monthly indicators[1]

		Seasonally adjusted					Unadjusted				Seasonally adjusted			
		1971 =100	Thousands	1975 =100	Thousands		Jan. 1976 =100	1975 =100	Jan. 1974 =100	December 1971 =100	£ million			
		Volume of retail sales (GB)[2, 3] §	New registrations of cars (GB) §	Index of industrial production[4] §	Unemployment[5] §	Vacancies[6] §	Average earnings New series (whole economy: GB)	Wholesale prices of materials and fuel[7]	General index of retail prices (all items)	Sterling effective exchange rate	Balance of payments current account: Exports (f.o.b.) §	Balance of payments current account: Imports (f.o.b.) §	Balance of payments current account: Current balance	Money stock sterling M_3
1977	J	104·5	94·7	105·3	1,329·9	.. [8]	110·9	143·1	172·4	61·8	2,482	3,000		39,670
	F	104·0	112·7	105·6	1,330·0	148·8	111·0	144·3	174·1	61·7	2,481	2,672	−480†	39,460
	M	101·7	103·8	105·8†	1,328·5	154·0	113·3	147·0	175·8	61·9	2,549	2,813		39,560
	A	102·3	106·0	105·2	1,333·8	155·5	113·1	149·3	180·3	61·7	2,584	2,765		40,330
	M	103·2	107·8	106·9	1,323·8	159·4	114·9	148·8	181·7	61·6	2,592	2,878	−280	40,660
	J	102·1	95·3	104·6	1,364·3	158·1	115·4	148·2	183·6	61·5	2,751	3,046		40,960
	J	104·8	112·6	105·9	1,398·5	155·2	117·0	147·9	183·8	61·0	2,798	2,971		41,320
	A	104·7	116·4	106·4	1,410·3	153·4	115·7	145·9	184·7	62·0	2,855	2,703	+575	41,290
	S	103·5	107·1	106·4	1,434·9	147·2	116·6	145·6	185·7	62·4	2,903	2,851		41,990
	O	102·7	116·1	105·6	1,431·5	156·0	117·9	143·7	186·5	62·5	2,747	2,714		42,550
	N	103·1	108·3	105·5	1,429·6	159·4	120·1	142·0	187·4	63·6	2,664	2,611	+591	42,840
	D	106·9	104·2	106·3	1,422·3	165·0	121·7	141·0	188·4	63·8	2,776	2,867		43,280
1978	J	104·9	124·8	106·9†	1,419·2	180·3	121·5	139·4	189·5	66·0	2,598†	2,960†		44,310
	F	106·8	119·8	107·4	1,409·0	187·0	122·7	139·1	190·6	66·0	2,974	2,946	−413	45,360
	M	107·0	142·5	106·9	1,400·0	195·8	125·0	142·0	191·8	64·1	2,803	3,104		45,660
	A	106·7	131·8	111·4	1,387·1	203·7	127·2	145·1	194·6	61·8	2,982	2,806		46,810
	M	108·4	124·2	110·2	1,366·4	209·9	129·4	146·8	195·7	61·5	2,848	3,091	+126	47,210
	J	108·7	132·7	111·6	1,364·7	217·4	133·1	147·0	197·2	61·3	2,909	3,017		47,360
	J	111·4	107·5	111·8	1,371·4	211·0	133·6	145·8	198·1	62·1	3,027	3,177		47,870
	A	111·8	145·6	112·1	1,392·1	209·3	131·7	144·2	199·4	62·4	3,004	2,955	− 26	47,400
	S	109·5	143·7	111·0	1,378·3	218·7	134·2	144·8	200·2	62·7	3,036	3,269		47,980
	O	109·6	131·3	109·2	1,359·6	228·4	135·2	145·7†	201·1	62·5	3,097	2,997		48,500
	N	109·9†	117·3	110·1	1,338·8	231·3	136·0	147·3[10]	202·5	62·5	3,056	3,242		48,610
	D	113·0[10]			1,320·7	231·2		148·0[10]	204·2	63·2	3,154	3,028		49,070
		Percentage change, latest three months on previous three months												
1978	J	+ 1·4	− 0·7	+ 0·1	− 0·1	+10·5	+ 3·8	− 2·9	+ 1·5	+ 3·5	− 5·5	+ 2·1	..	+ 3·7
	F	+ 3·1	+ 5·2	+ 0·9	− 1·1	+15·1	+ 3·2	− 2·7	+ 1·6	+ 3·9	+ 0·4	+ 7·4	..	+ 4·4
	M	+ 1·8	+17·8	+ 1·2	− 1·3	+17·2	+ 2·6	− 1·5	+ 1·7	+ 3·3	+ 2·3†	+10·1	..	+ 5·2
	A	+ 1·6	+16·8	+ 2·3	− 1·8	+16·2	+ 3·2	+ 0·9	+ 2·1	− 0·8	+ 9·0	+ 5·0	..	+ 5·7
	M	+ 0·9	+14·2	+ 2·6	− 2·3	+14·5	+ 4·3	+ 3·4	+ 2·4	− 4·3	+ 3·4	+ 2·6	..	+ 5·1
	J	+ 1·6	+ 0·4	+ 3·8	− 2·6	+12·1	+ 5·6	+ 4·4	+ 2·7	− 5·9	+ 4·3	− 1·1	..	+ 4·5
	J	+ 2·4	− 7·5	+ 2·4†	− 2·2	+ 8·8	+ 5·7	+ 3·1	+ 2·4	− 3·7	+ 0·3	+ 4·8	..	+ 3·3
	A	+ 3·0	− 3·2	+ 2·1	− 0·6	+ 4·6	+ 4·4	+ 0·7	+ 2·2	− 0·9	+ 3·5	+ 1·6	..	+ 2·1
	S	+ 2·6	+ 2·1	− 0·5	+ 0·6	+ 1·3	+ 2·5	− 0·9	+ 1·7	+ 1·4	+ 3·8	+ 5·5	..	+ 1·3
	O	+ 0·7	+15·4	− 0·7	+ 0·7	+ 2·8	+ 1·3	− 1·1	+ 1·6	+ 1·5	+ 4·0	− 0·7	..	+ 1·0
	N	− 0·7†	+ 1·7	− 1·5	− 1·2	+ 6·4	+ 1·8	+ 0·2[10]	+ 1·5	+ 1·0	+ 2·7	+ 3·9	..	+ 1·7
	D	+ 0·2[10]			− 3·0	+ 8·1		+ 1·4[10]	+ 1·7	+ 0·5	+ 2·6	− 1·4	..	+ 2·0
		Percentage change, latest three months on corresponding period of previous year												
1978	J	− 0·3	+ 3·9	+ 1·4	..	..	+ 9·2	+ 0·2	+11·7	+ 6·6	+11·0	+ 0·3	..	+ 8·5
	F	+ 1·6	+ 9·9	+ 1·6	+ 6·8	..	+ 9·8	− 1·6	+10·5	+ 6·4	+12·7	+ 5·4	..	+11·4
	M	+ 2·9	+24·3	+ 1·5	+ 6·0	..	+10·1	− 3·2	+ 9·5	+ 5·8	+11·6	+ 6·2†	..	+14·0
	A	+ 4·1	+22·2	+ 3·0	+ 5·1	+28·0	+11·1	− 3·3	+ 8·8	+ 3·6	+15·1	+ 7·4	..	+15·5
	M	+ 4·9	+25·4	+ 3·5	+ 4·2	+30·0	+11·8	− 2·5	+ 8·2	+ 1·2	+11·8†	+ 6·5	..	+15·9
	J	+ 5·4	+25·7	+ 5·3	+ 2·4	+33·4	+13·5	− 1·7	+ 7·7	− 0·1	+10·3	+ 2·6	..	+15·9
	J	+ 5·9	+15·4	+ 5·0	+ 0·4	+35·0	+14·1	− 1·2	+ 7·6	− 0·4	+ 8·0	+ 4·4	..	+15·9
	A	+ 6·6	+19·0	+ 5·9	− 1·1	+36·6	+14·5	− 1·1	+ 7·7	+ 0·7	+ 6·4	+ 4·9	..	+15·4
	S	+ 6·2	+18·1	+ 5·1	− 2·4	+40·2	+14·4	− 1·0	+ 7·9	+ 1·0	+ 6·0	+10·3	..	+15·0
	O	+ 6·4	+23·9	+ 4·4	− 3·4	+43·8	+14·5	− 0·1	+ 7·9	+ 0·4	+ 7·5	+11·5	..	+14·4
	N	+ 6·4†	+18·4	+ 4·0	− 5·1	+46·6	+14·3	+ 1·5[10]	+ 7·9	− 0·4	+10·5	+16·3	..	+13·9
	D	+ 6·3[10]			− 6·2	+43·8		+ 3·4[10]	+ 8·1	− 0·9	+13·7	+13·1	..	+13·6

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] See footnote [2] on page 12.
[4] All industries covered.
[5] Unemployed excluding school-leavers.
[6] Vacancies notified to employment offices.
[7] Purchased by manufacturing industry.
[8] Figure not available due to industrial action.
[9] Owing to industrial action by some Department of Employment staff the provisional estimate is based on returns or estimates received from only just over half the country.
[10] Provisional.

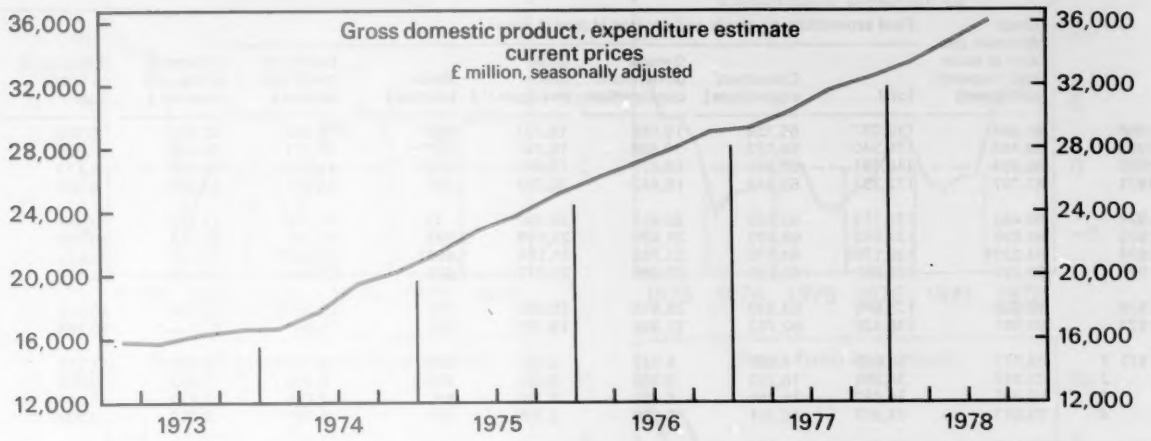
Tables and charts

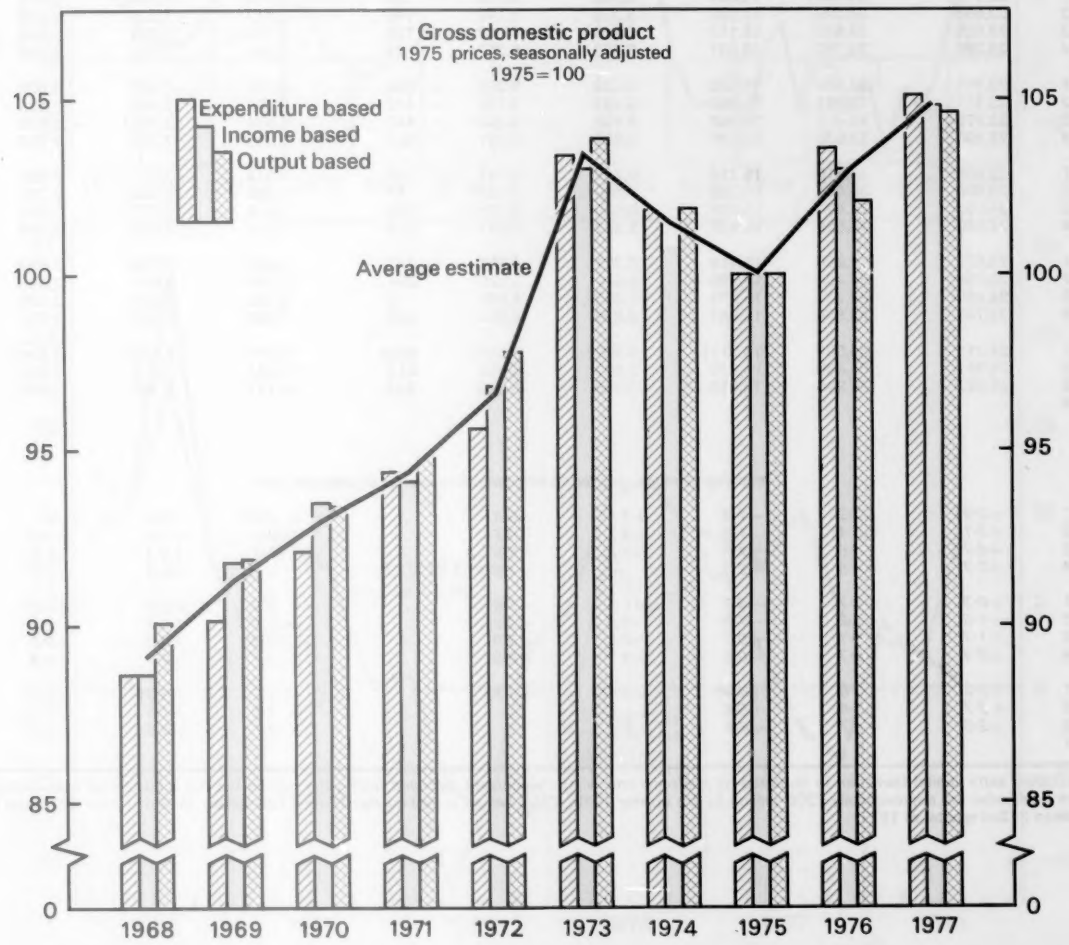
Gross domestic product at factor cost, total home costs and national disposable income revalued at 1975 market prices[1]

Seasonally adjusted

	Gross domestic product at factor cost									Implied Index of total home costs	National disposable income[2]
	At current prices				At 1975 factor cost						At 1975 market prices
	£ million		1975 =100		£ million	1975 =100				1975 =100	1975 =100
	Based on:		Based on:		Based on:	Based on:				Based on:	
	expenditure data	income data	expenditure data	income data	expenditure data	expenditure data §	income data[3] §	output data §	Average estimate §	expenditure data	Average estimate
1968	37,411	37,183	40·4	40·4	81,964	88·6	88·6	90·1	89·1	45·6	91·9
1969	39,453	39,890	42·6	43·4	83,468	90·2	91·8	91·9	91·3	47·2†	94·5
1970	43,445	43,794	47·0	47·6	85,264	92·2	93·5	93·4	93·0	80·9	97·1
1971	49,264	48,857	53·2†	53·1	87,297	94·4	94·1†	94·8	94·4†	56·4	99·0
1972	54,963	55,289	59·4	60·1	88,489	95·6†	96·8	97·8	96·7	62·1	101·8†
1973	63,946	63,301	69·1	68·8	95,686	103·4	103·0	103·9†	103·4	66·8	106·6
1974	73,722	72,517	79·7	78·9	94,220†	101·8	100·8	101·9	101·5	78·2	100·6
1975	92,507	91,952	100·0	100·0	92,507	100·0	100·0	100·0	100·0	100·0	100·0
1976	109,499	108,187	118·4	117·6†	95,838	103·6	103·0	102·1	102·9	114·2	102·8
1977	123,408†	122,270	133·4	133·0	97,251	105·1	104·8	104·7	104·9	126·8	103·9
1973 *3*	16,122	16,090	69·7	70·0	23,925	103·4	103·9	104·1	103·8	67·4	105·1
4	16,538	16,348	71·5	71·1	23,587	102·0	101·4	103·7	102·4	70·1	
1974 *1*	16,542	15,959	71·5	69·4	23,110	99·9†	97·1	100·1	99·0	71·6†	100·1
2	17,619	17,317	76·2	75·3	23,695	102·5	101·4	102·9	102·3†	74·4	
3	19,463	19,141	84·2	83·3	24,055	104·0	103·0	103·3	103·4	80·9	101·1
4	20,098	20,100	86·9	87·5	23,360	101·0	101·7	101·5	101·4	86·0	
1975 *1*	21,342	21,204	92·3	92·2	22,911	99·1	99·0	101·3	99·8	93·2	100·2
2	22,651	22,425	97·9	97·6	23,317	100·8	100·4	99·8	100·3	97·1	
3	23,553	23,535	101·9	102·4	22,979	99·4	99·9	99·2	99·5	102·5	99·8
4	24,961	24,788	107·9	107·8	23,300	100·7	100·7	99·8	100·4	107·1	
1976 *1*	25,939	25,238	112·2	109·8	23,809	103·0	100·8	101·0	101·6	108·9	102·4
2	26,778†	26,732	115·8	116·3	23,809	102·9	103·4	101·7	102·7	112·5	
3	27,836	27,634	120·4	120·2	24,060	104·0	103·9	101·9	103·3	115·7	103·2
4	28,946	28,583	125·1	124·3	24,160	104·5	103·8	103·9	104·0	119·8	
1977 *1*	29,182	29,127†	126·2	126·7†	23,872	103·2	103·6	104·5†	103·8	122·2	102·7
2	30,118	30,264	130·2	131·6	24,158	104·5	105·6	104·3	104·8	124·7	
3	31,607	31,003	136·7	134·9	24,480	105·8	104·4	104·9	105·0	129·1	105·0
4	32,501	31,876	140·5†	138·7	24,741	107·0	105·6	105·2	105·9	131·4	
1978 *1*	33,438	32,745	144·6	142·4	24,711	106·9	105·3	106·1	106·1	135·3	107·0
2	34,669	34,216	149·9	148·8	25,041	108·3	107·5	108·3	108·0	138·4	
3	36,014	35,509	155·7	154·5	25,327	109·5	108·6	108·6	108·9	142·2	
4											
	Percentage change, period on corresponding period of previous year										
1976 *3*	*+18·2*	*+17·4*	*+18·2*	*+17·4*	*+4·7*	*+4·6†*	*+4·0*	*+2·7*	*+3·8*	*+12·9†*	*+3·4*
4	*+16·0*	*+15·3*	*+16·0†*	*+15·3*	*+3·7†*	*+3·8*	*+3·1*	*+4·1*	*+3·6*	*+11·9*	
1977 *1*	*+12·5*	*+15·4†*	*+12·5*	*+15·4†*	*+0·3*	*−0·1*	*+2·8†*	*+3·5†*	*+2·2†*	*+12·2*	*+0·2*
2	*+12·5†*	*+13·2*	*+12·5*	*+13·2*	*+1·5*	*+1·6*	*+2·1*	*+2·6*	*+2·0*	*+10·8*	
3	*+13·5*	*+12·2*	*+13·5*	*+12·2*	*+1·7*	*+1·7*	*+0·5*	*+2·9*	*+1·6*	*+11·6*	*+1·8*
4	*+12·3*	*+11·5*	*+12·3*	*+11·5*	*+2·4*	*+2·4*	*+1·7*	*+1·3*	*+1·8*	*+ 9·7*	
1978 *1*	*+14·6*	*+12·4*	*+14·6*	*+12·4*	*+3·5*	*+3·6*	*+1·6*	*+1·5*	*+2·2*	*+10·7*	*+3·8*
2	*+15·1*	*+13·1*	*+15·1*	*+13·1*	*+3·7*	*+3·6*	*+1·8*	*+3·8*	*+8·1*	*+11·0*	
3	*+13·9*	*+14·5*	*+13·9*	*+14·5*	*+3·5*	*+3·5*	*+4·0*	*+3·5*	*+3·7*	*+10·1*	
4											

[1] The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Introduced in an article on page xxviii *Economic Trends*, No. 255, January 1975.
[3] Income data deflated by the implied index of total home costs.


Gross domestic product, expenditure estimate
current prices
£ million, seasonally adjusted
36,000
32,000
28,000
24,000
20,000
16,000
12,000
1973
1974
1975
1976
1977
1978


Gross domestic product
1975 prices, seasonally adjusted
1975=100
Expenditure based
Income based
Output based
Average estimate
105
100
95
90
85
0
1968
1969
1970
1971
1972
1973
1974
1975
1976
1977

Expenditure on the gross domestic product

Seasonally adjusted

£ million, 1975 prices

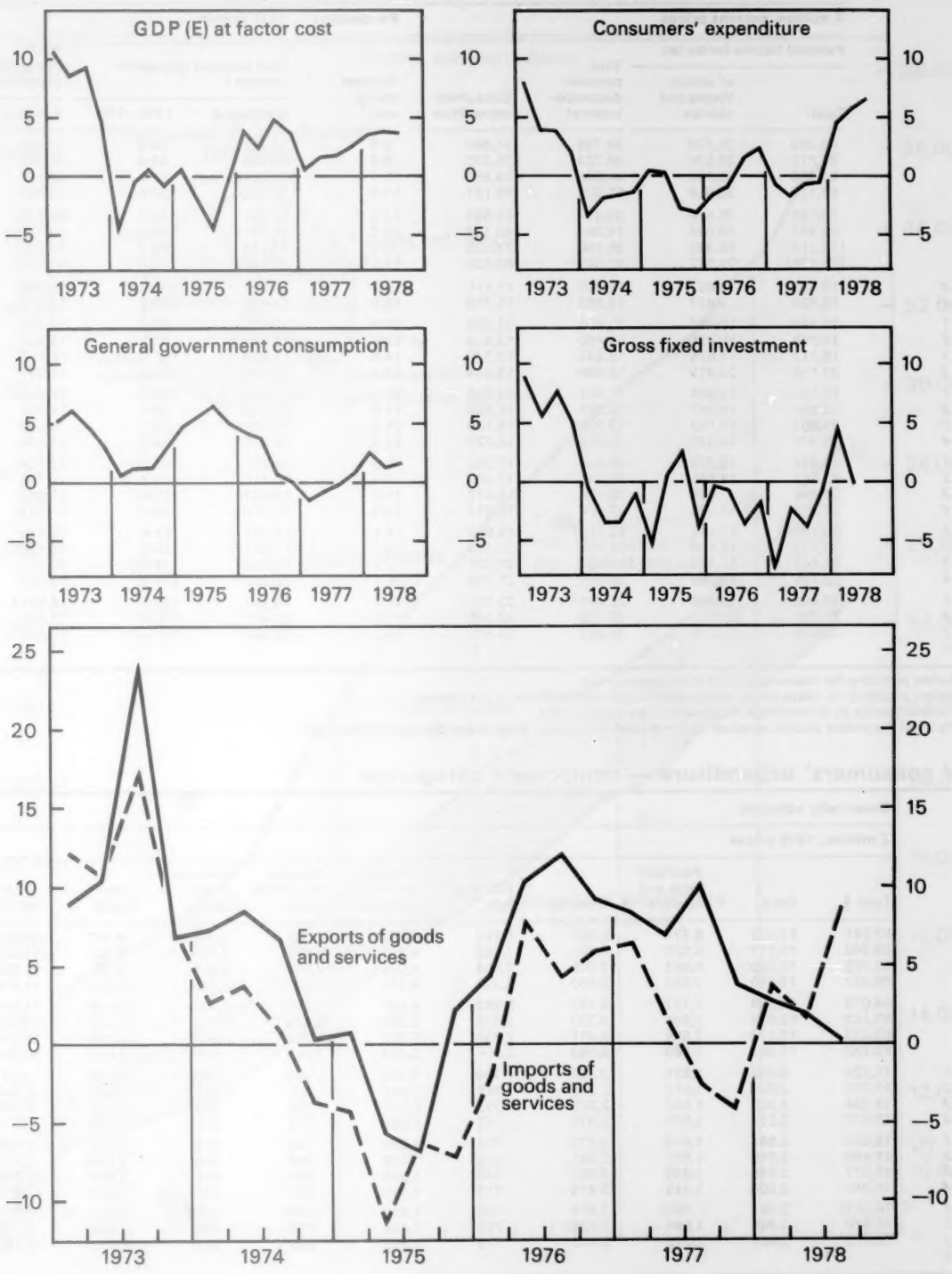
	Gross domestic product at factor cost (expenditure based)	Final expenditure on goods and services at market prices							
		Total	Consumers' expenditure§	General government consumption	Gross fixed investment[1]§	Stock building§	Exports of goods and services§	Imports of goods and services[1]§	Adjustment to factor cost
1968	81,964	113,297	55,759	19,165	19,287	920	18,498	22,222	8,870
1969	83,468	115,340	56,137	18,808	19,360	951	20,321	22,936	8,838
1970	85,264	118,691	57,561	19,076	19,845	979	21,437	24,147	9,179
1971	87,297	122,237	59,340	19,642	20,209	235	23,007	25,307	9,527
1972	88,489	126,713	62,762	20,451	20,240	73	23,293	27,773	10,257
1973	95,686	137,662	65,497	21,426	21,609	2,983	26,147	31,043	10,933
1974	94,220†	136,170†	64,070	21,746	21,164	1,462†	27,728†	31,329	10,621
1975	92,507	131,957	63,192	22,930	20,817	−1,925	26,943	29,028	10,422
1976	95,838	136,850	63,320	23,416	20,489	261	29,364	30,183	10,829
1977	97,251	138,325	62,732	23,316	19,738	1,051	31,489	30,276	10,798
1973 *1*	24,327	34,559	16,558	5,337	5,534	865	6,265	7,520	2,712
2	23,847	34,259	16,253	5,320	5,321	915	6,450	7,642	2,770
3	23,925	34,492	16,385	5,381	5,399	682	6,645	7,823	2,744
4	23,587	34,352	16,301	5,388	5,355	521	6,787	8,058	2,707
1974 *1*	23,110†	33,547†	15,964	5,365	5,502	— 29	6,745†	7,724	2,713
2	23,695	34,223	15,923	5,383	5,142	749	7,027	7,929	2,599
3	24,055	34,613	16,112	5,446	5,217	720	7,118	7,905	2,653
4	23,360	33,787	16,071	5,552	5,303	23	6,838	7,771	2,656
1975 *1*	22,911	32,967	16,020	5,624	5,203	— 656	6,776	7,397	2,659
2	23,317	32,961	15,950	5,683	5,170	— 442	6,600	7,016	2,628
3	22,979	32,959	15,646	5,796	5,353[1]	— 440	6,604	7,405[1]	2,575
4	23,300	33,070	15,576	5,827	5,091	— 387	6,963	7,210	2,560
1976 *1*	23,809	33,716	15,724	5,857	5,187	— 125	7,073	7,251	2,656
2	23,809	34,084	15,785	5,893	5,137[1]	— 17	7,286	7,568[1]	2,707
3	24,060	34,484	15,884	5,839	5,168[1]	189	7,404	7,721[1]	2,703
4	24,160	34,566	15,927	5,827	4,997	214	7,601	7,643	2,763
1977 *1*	23,872	34,290	15,619	5,771	4,794	442	7,664	7,722	2,696
2	24,158	34,494	15,495	5,841	5,025[1]	354	7,779	7,697[1]	2,639
3	24,480	34,737	15,777	5,827	4,965	6	8,162	7,531	2,726
4	24,741	34,804	15,841	5,876	4,954	249	7,884	7,326	2,737
1978 *1*	24,711	35,581	16,311†	5,907†	5,030†	460†	7,873	8,026†	2,844†
2	25,041	35,689	16,370	5,907	5,056	432	7,924	7,816	2,832
3	25,327	36,354	16,810	5,909	5,029	434	8,172	8,181	2,846
4									

Percentage change, quarter on corresponding quarter of previous year

1976 *1*	+3·9†	+2·3	−1·8	+4·1	−0·3	..	+ 4·4†	−2·0	—
2	+2·1	+3·4†	−1·0	+3·7	−0·6	..	+10·4	+7·9	+3·0
3	+4·7	+4·6	+1·5	+0·7	−3·5	..	+12·1	+4·3	+5·0
4	+3·7	+4·5	+2·3	—	−1·8	..	+ 9·2	+6·0	+7·9
1977 *1*	+0·3	+1·7	−0·7	−1·5	−7·6	..	+ 8·4	+6·5	+1·5
2	+1·5	+1·2	−1·8	−0·9	−2·2	..	+ 6·8	+1·7	−2·5
3	+1·7	+0·7	−0·7	−0·2	−3·9	..	+10·2	−2·5	+0·9
4	+2·4	+0·7	−0·5	+0·8	−0·9	..	+ 3·7	−4·1	−0·9
1978 *1*	+3·5	+3·8	+4·4†	+2·4†	+4·9†	..	+ 2·7	+3·9†	+5·5†
2	+3·7	+3·5	+5·6	+1·1	—	..	+ 1·9	+1·5	+7·3
3	+3·5	+4·7	+6·5	+1·4	..	..	+ 0·1	+8·6	+4·4
4									

[1] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £200 million in 3rd quarter 1975, £150 million in 2nd quarter 1976, £125 million in 3rd quarter 1976 and £225 million in 2nd quarter of 1977.

1975 prices, seasonally adjusted, percentage change on year earlier



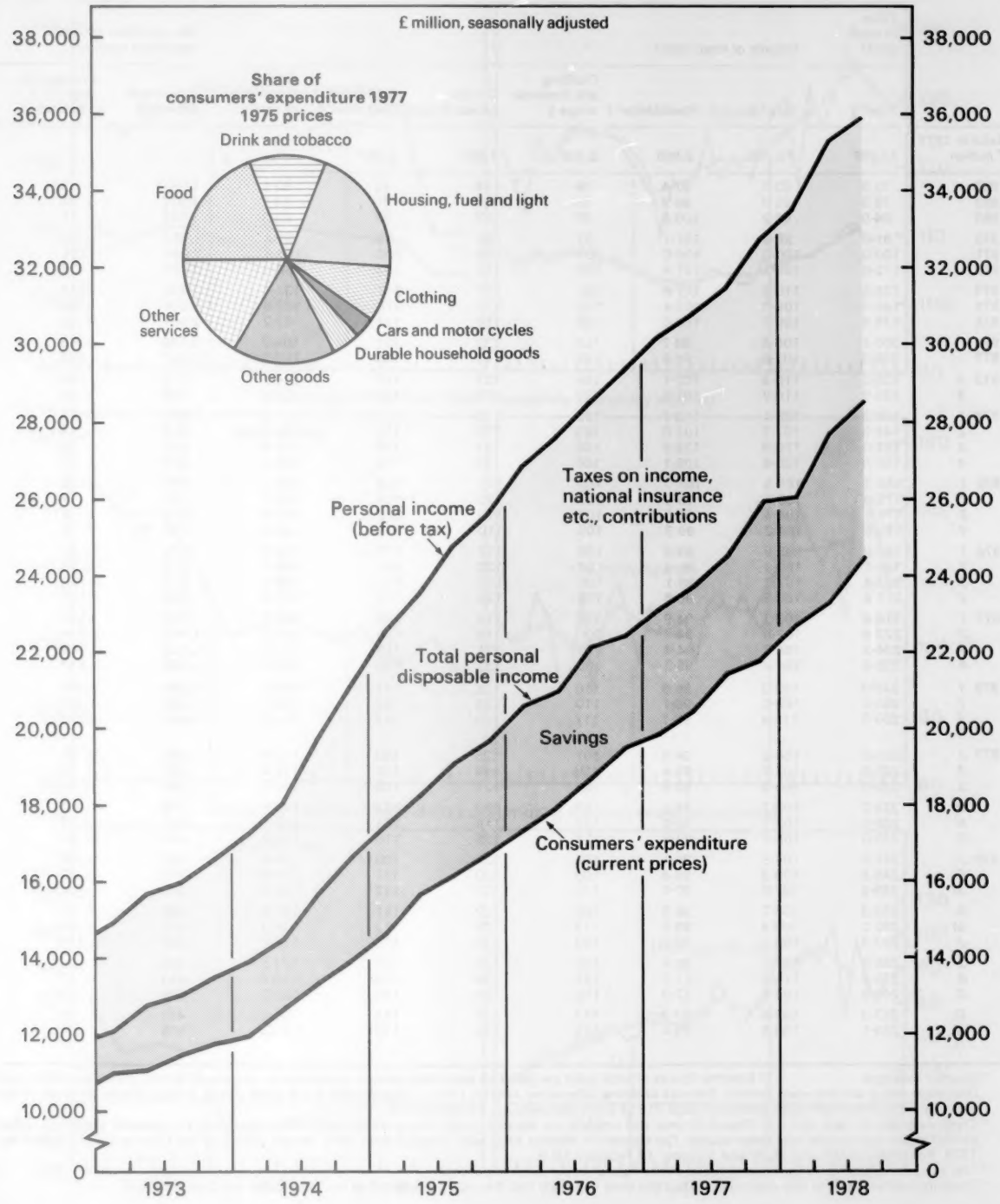
Personal disposable income and consumption

	Seasonally adjusted							
	£ million, current prices				Percentage	1975 prices		
	Personal income before tax					Real personal disposable income [4]		Real consumers' expenditure §
	Total [1]	*of which:* Wages and salaries	Total personal disposable income [2]	Consumers expenditure	Personal saving ratio [3]	£ million §	1975=100	£ million
1970	43,260	26,975	34,738	31,660	8·8	63,157	84·9	57,561
1971	47,979	28,676	38,723	35,370	8·6	64,965	87·4	59,340
1972	54,486	33,136	44,504	39,856	10·4	70,081	94·2	62,762
1973	63,120	38,018	51,303	45,187	11·8	74,362	100·0	65,497
1974	76,165	45,916	60,614	51,863	14·3	74,881	100·7	64,070
1975	96,457	58,974	74,361	63,192	15·0	74,361	100·0	63,192
1976	112,216	66,932	86,155	73,538	14·6	74,184	99·7	63,320
1977	125,178†	73,523	97,347†	83,530	14·1†	73,109†	98·3	62,732
1973 *3*	15,970	9,687	13,005	11,411	12·2	18,681	100·5	16,385
4	16,589	9,937	13,493	11,749	12·9	18,728	100·7	16,301
1974 *1*	17,249	10,197	13,902	11,990	13·8	18,522	99·6	15,964
2	18,069	10,928	14,460	12,639	12·6	18,229	98·1	15,923
3	19,717	11,876	15,643	13,320	14·8	18,934	101·8	16,112
4	21,130	12,915	16,609	13,914	16·2	19,196	103·3	16,071
1975 *1*	22,497	13,904	17,443	14,632	16·1	19,093	102·7	16,020
2	23,551	14,347	18,201	15,660	14·0	18,533	99·7	15,950
3	24,803	15,153	19,105	16,180	15·3	18,470	99·3	15,646
4	25,606	15,570	19,612	16,720	14·7	18,265	98·3	15,576
1976 *1*	26,832	15,999	20,595	17,381	15·6	18,625	100·2	15,724
2	27,587	16,545	20,971	17,966	14·3	18,419	99·1	15,785
3	28,495	17,024	22,185	18,677	15·8	18,861	101·4	15,884
4	29,302	17,364	22,404	19,514	12·9	18,279	98·3	15,927
1977 *1*	30,176†	17,746	23,115†	19,859	14·1	18,183	97·8	15,619
2	30,775	18,195	23,701	20,454	13·7	17,957†	96·6	15,495
3	31,446	18,483	24,534	21,421	12·7†	18,072	97·2†	15,777
4	32,781	19,099	25,997	21,796	16·1	18,897	101·7	15,841
1978 *1*	33,488	19,648	26,066	22,781†	12·6	18,663	100·4	16,311†
2	35,297	20,708	27,729	23,341	15·8	19,447	104·6	16,370
3	35,879	21,178	28,557	24,508	14·2	19,587	105·4	16,810
4								

[1] Before providing for depreciation and stock appreciation.
[2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal disposable income revalued by the implied consumers' expenditure deflator (1975=100).

Real consumers' expenditure — component categories

	Seasonally adjusted									
	£ million, 1975 prices									
	Total §	Food	Alcoholic drink and tobacco	Housing	Fuel and light	Clothing including footwear	Durable household goods	Cars and motor cycles	Other goods	Other services
1970	57,561	12,072	6,374	8,502	2,782	4,634	2,226	1,759	8,702	10,813
1971	59,340	12,117	6,520	8,711	2,752	4,713	2,427	2,345	8,985	11,036
1972	62,762	12,025	6,961	8,905	2,854	4,991	2,926	2,811	9,858	11,566
1973	65,497	12,210	7,694	9,062	2,930	5,242	3,270	2,668	10,603	11,818
1974	64,070	12,099	7,777	9,122	2,983	5,197	3,060	1,731	10,595	11,506
1975	63,192	12,059	7,604	9,237	2,916	5,296	2,968	1,816	10,293	11,003
1976	63,320	12,172	7,664	9,411	2,894	5,357	3,080	1,977	10,396	10,369
1977	62,732	12,051	7,460	9,583	2,964	5,483	2,908	1,920	10,098	10,265
1976 *1*	15,724	3,038	1,831	2,326	760	1,307	745	494	2,596	2,627
2	15,785	3,029	1,910	2,345	689	1,344	765	472	2,627	2,604
3	15,884	3,088	1,952	2,365	702	1,349	794	482	2,585	2,567
4	15,927	3,017	1,971	2,375	743	1,357	776	529	2,588	2,571
1977 *1*	15,619	2,991	1,818	2,372	737	1,356	722	510	2,564	2,549
2	15,495	3,019	1,831	2,391	765	1,329	703	454	2,448	2,555
3	15,777	2,945	1,898	2,402	749	1,394	745	515	2,546	2,583
4	15,841	3,096	1,913	2,418	713	1,404	738	441	2,540	2,578
1978 *1*	16,311†	3,083	1,998†	2,404	762	1,433	776†	599†	2,561	2,695
2	16,370	2,995	1,994	2,438†	767	1,455	788	624	2,589	2,720
3	16,810	3,084	2,049	2,456	773	1,552	836	653	2,632	2,775
4										


£ million, seasonally adjusted
38,000
36,000
34,000
32,000
30,000
28,000
26,000
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
0
1973
1974
1975
1976
1977
1978
Share of consumers' expenditure 1977 1975 prices
Drink and tobacco
Food
Housing, fuel and light
Clothing
Other services
Cars and motor cycles
Durable household goods
Other goods
Personal income (before tax)
Taxes on income, national insurance etc., contributions
Total personal disposable income
Savings
Consumers' expenditure (current prices)

Retail sales, new registrations of cars and hire purchase debt (Great Britain)

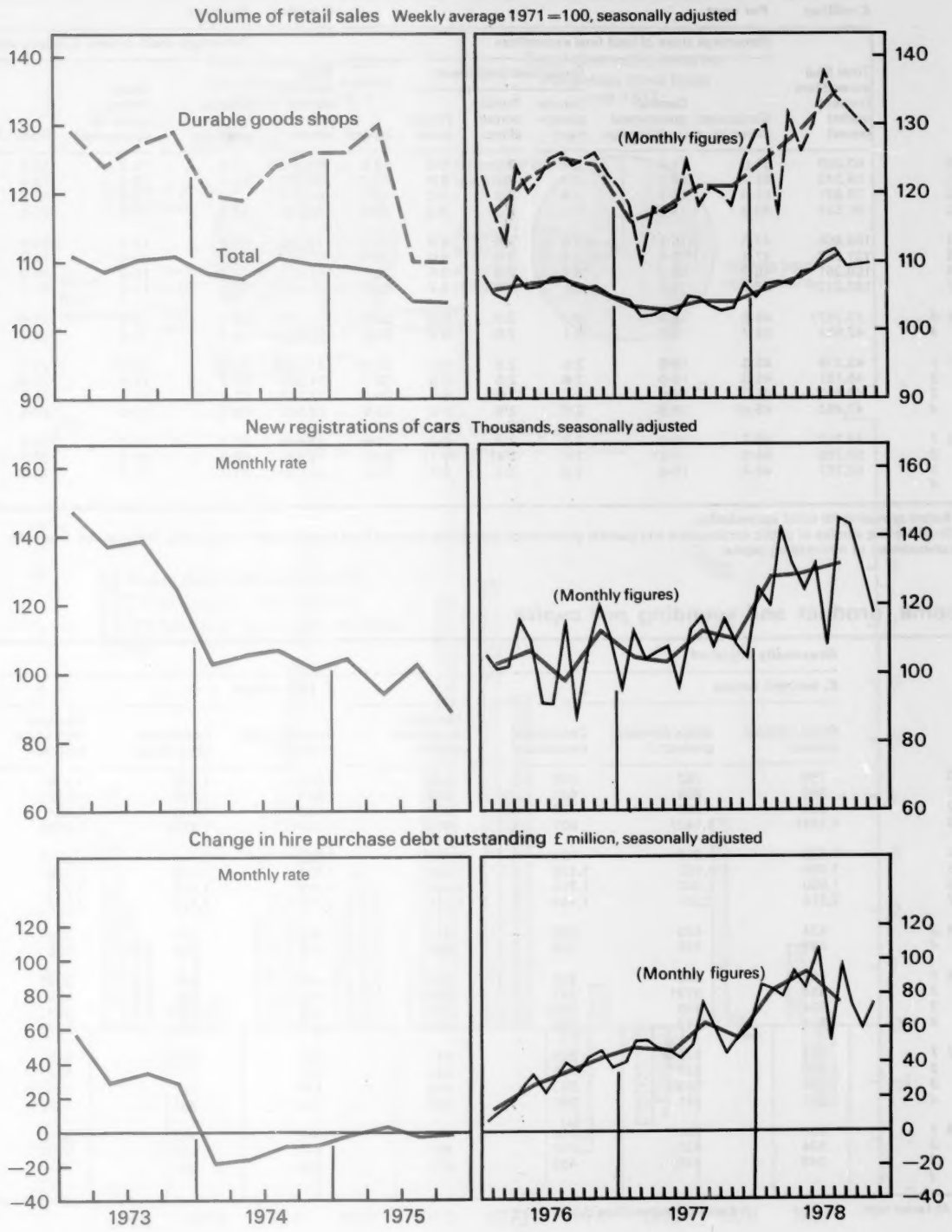
	Seasonally adjusted								
	Weekly average 1971=100						Thousands[1]	£ million	
	Value of retail sales[2]	Volume of retail sales[2]						Hire purchase and other instalment credit[3,4]	
	Total[5] §	Total[5] §	Food shops[5] §	Clothing and footwear shops §	Durable goods shops §	Other non-food shops §	New registrations of cars §	New credit extended	Changes in debt outstanding
Sales in 1971 £ million	*16,296*	*16,296*	*6,866*	*2,436*	*1,897*	*5,097*			
1967	73·8	92·7	97·4	89	84	92	93·1	1,554†	− 30†
1968	79·3	95·7	98·9	93	89	95	93·1	1,637	+ 56
1969	84·0	96·2	100·5	93	87	95	82·3	1,584	− 11
1970	91·0	98·4	101·1	97	91	98	91·4	1,767	+ 92
1971	100·0	100·0	100·0	100	100	100	108·5	2,036	+251
1972	112·0	105·3	101·6	104	113	108	138·6	2,466	+438
1973	126·9	110·3	101·6	108	127	117	137·1	2,846	+444
1974	146·7	109·0	102·4	106	122	115	102·8	2,508	−164
1975	174·4	106·7	100·0	106	119	111	97·2	2,981	− 13
1976	200·1	106·5	98·7	106	122	111	104·7	3,586	+343
1977	228·0	103·6	94·8	105	119	109	107·1	4,392	+625
1973 *3*	128·2	110·3	102·1	106	127	117	138·8	718	+102
4	133·9	110·9	101·5	107	129	119	124·8	708	+ 84
1974 *1*	136·2	108·4	100·7	105	120	116	102·6	568	− 59
2	141·8	107·7	102·0	103	119	113	104·9	615	− 52
3	151·0	110·3	103·9	108	124	115	106·6	651	− 28
4	158·0	109·8	103·1	106	126	115	100·6	674	− 25
1975 *1*	165·2	109·5	101·7	109	126	114	104·2	710	− 6
2	175·0	108·5	99·9	106	130	113	93·5	752	+ 9
3	176·6	104·3	98·9	105	110	109	102·9	749	− 9
4	181·5	104·2	99·3	103	110	109	88·4	770	− 7
1976 *1*	189·6	105·9	99·5	105	117	111	102·7	833	+ 37
2	196·1	106·9	99·6	106	122	111	106·7	872	+ 79
3	203·4	107·3	99·1	106	125	112	96·8	913	+100
4	211·4	105·9	96·6	105	124	112	112·5	968	+127
1977 *1*	216·4	103·3	94·9	105	116	109	103·8	1,007	+144
2	222·0	102·5	94·7	101	118	108	103·0	1,047	+136
3	234·2	104·3	94·4	107	121	110	112·0	1,149	+186
4	239·4	104·4	95·3	109	121	109	109·5	1,189	+159
1978 *1*	246·0	106·3	96·6	110	125	111	129·0	1,260	+245
2	254·5	108·0	98·1	110	129	112	129·6	1,393	+281
3	267·5	110·8	98·1	117	135	116	132·3	1,427	+223
4									
1977 *J*	231·5	104·8	94·3	107	125	110	112·6	360	+ 51
A	235·8	104·7	94·4	110	118	111	116·4	402	+ 75
S	235·0	103·5	94·4	106	121	108	107·1	387	+ 60
O	234·2	102·7	94·2	103	120	108	116·1	378	+ 45
N	236·3	103·1	93·9	107	118	108	108·3	401	+ 53
D	246·0	106·9	97·3	114	125	110	104·2	410	+ 61
1978 *J*	241·0	104·9	95·1	105	129	109	124·8	429	+ 85
F	246·5	106·8	96·8	109	130	111	119·8	418	+ 82
M	249·8	107·0	97·6	115	117	112	142·5	413	+ 78
A	250·3	106·7	96·5	108	132	111	131·8	463	+ 93
M	255·2	108·4	98·9	113	126	112	124·2	471	+ 82
J	257·3	108·7	98·7	110	130	113	132·7	459	+106
J	265·8	111·4	98·4	116	138	117	107·5	458	+ 53
A	270·3	111·8	97·9	121	134	118	145·6	493	+ 97
S	266·6	109·5	97·9	115	133	114	143·7	476	+ 73
O	267·2	109·6	97·9	114	131	115	131·3	469	+ 59
N	269·1	109·9	98·4	115	129	116	117·3	505	+ 74
D									

[1] Monthly averages. [2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1975 is exceptionally a five-week period. Further details are given in the technical note to the retail sales figures on page 716 of *Trade and Industry*, 14 March 1975.

[3] Credit extended by and repaid to finance houses and retailers, i.e. durable goods shops, department stores (including co-operatve societies), other general stores and general mail order houses. The figures for retailers have been rebased from 1971 on the results of the Census of Distribution for 1971. For further details see *Trade and Industry*, 10 February 1978.

[4] The seasonal adjustments have been revised in the light of subsequent experience.

[5] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.


Volume of retail sales Weekly average 1971 = 100, seasonally adjusted
Durable goods shops
Total
(Monthly figures)
140
130
120
110
100
90
New registrations of cars Thousands, seasonally adjusted
Monthly rate
(Monthly figures)
160
140
120
100
80
60
Change in hire purchase debt outstanding £ million, seasonally adjusted
Monthly rate
(Monthly figures)
120
100
80
60
40
20
0
−20
−40
1973
1974
1975
1976
1977
1978

Shares of income and expenditure

Seasonally adjusted

	£ million	Per cent						£ million	Per cent		
		Percentage share of total final expenditure							Percentage share of total domestic income		
				Gross fixed investment							
	Total final expenditure (current market prices)	Consumers' expenditure	General government consumption	General government	Public corporations	Private sector	Exports	Total domestic income (current prices)[1]	Income from employment	Gross trading profits of companies[1]	Other[1,2]
1970	62,099	51·0	14·4	3·9	2·7	8·6	18·5	44,832	67·8	13·2	19·0
1971	69,242	51·1	14·7	3·7	2·7	8·8	18·7	49,998	67·3	13·4	19·3
1972	76,821	51·9	15·1	3·6	2·3	9·2	17·7	56,577	67·0	13·2	19·8
1973	91,591	49·3	14·5	4·0	2·3	9·2	18·8	66,295	65·7	13·5	20·8
1974	109,606	47·3	15·1	4·0	2·6	8·8	21·0	78,722	66·9	12·1	20·9
1975	131,957	47·9	17·4	3·8	3·0	9·0	20·4	97,472	70·1	10·0	19·9
1976	159,351	46·2	16·7	3·4	2·9	8·5	22·1	114,812	68·2	10·8	20·9
1977	182,873†	45·7	15·9	2·6	2·6	8·7	23·8	127,587	67·3	11·6	21·1
1976 *3*	40,787†	45·8	16·6	3·3	2·7	8·8	22·2	29,300	68·1	10·9	21·0
4	42,664	45·7	16·2	3·1	2·8	8·3	22·9	30,506	66·7	12·2	21·1
1977 *1*	43,376	45·8	16·0	2·9	2·6	8·2	23·6†	31,199†	66·4†	12·5†	21·1
2	45,191	45·3	16·0	2·6	2·5	8·9	23·7	31,566	67·3	11·8	20·9†
3	46,842	45·7	15·9	2·5	2·6	8·7	24·4	32,140	67·2	11·3	21·5
4	47,464	45·9†	15·8	2·5	2·5	9·0	23·5	32,682	68·2	10·9	20·9
1978 *1*	49,312	46·2	16·0	2·3	2·3	9·4	22·8	33,576	68·2	11·0	20·8
2	50,709	46·0	15·8†	2·2	2·4†	9·4†	22·9	35,430	68·2	11·3	20·5
3	52,767	46·4	15·6	2·2	2·2	9·2	22·9	36,522	67·7	11·4	20·9
4											

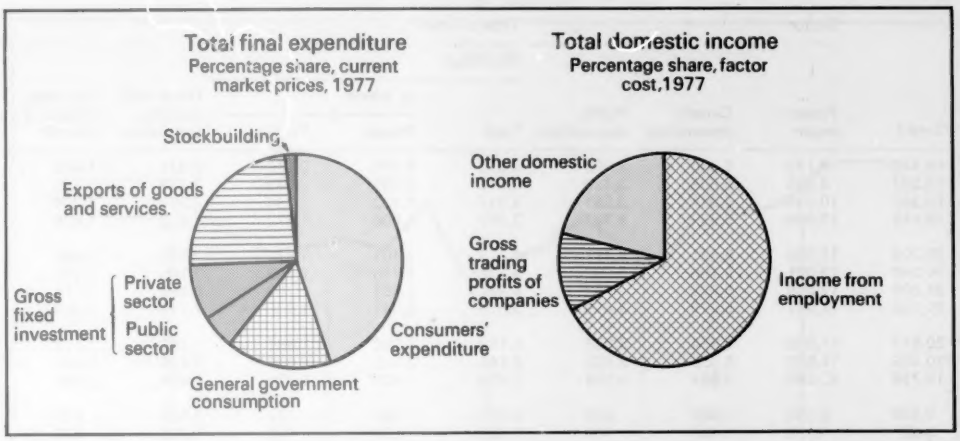
[1] Before providing for stock appreciation.
[2] Gross trading surplus of public corporations and general government enterprises, income from rent and self-employment, and imputed charge for consumption of non-trading capital.

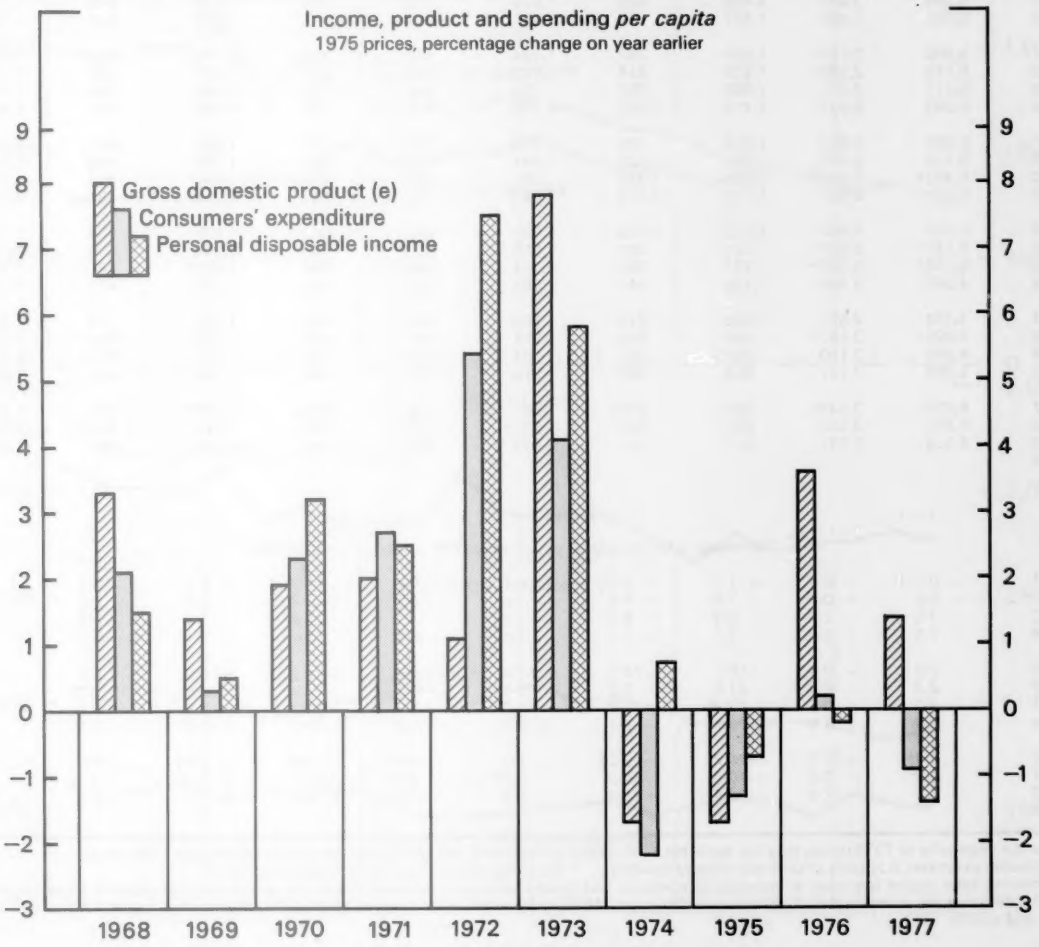
Income, product and spending *per capita*

Seasonally adjusted

	£, current prices				£, 1975 prices		
	Gross national product[1]	Gross domestic product[1,2]	Consumers' expenditure	Personal disposable income	Gross domestic product[1,2]	Consumers' expenditure	Personal disposable income
1970	793	782	570	626	1,536	1,037	1,138
1971	893	884	635	695	1,567	1,065	1,166
1972	993	984	713	797†	1,584	1,123	1,254
1973	1,164†	1,142†	807	916	1,709†	1,170†	1,328†
1974	1,339	1,316	926†	1,082	1,682	1,144	1,337
1975	1,666	1,652	1,129	1,328	1,652	1,129	1,328
1976	1,980	1,957	1,314	1,540	1,713	1,132	1,326
1977	2,216	2,207	1,494	1,741	1,739	1,122	1,307
1975 *3*	424	420	289	341	409	279	329
4	449	446	298	350	416	278	326
1976 *1*	468	463	310	368	425†	281	333†
2	484	479†	321	375†	426	282	329
3	504†	498	334†	397	430	284†	337
4	524	517	349	400	432	285	327
1977 *1*	525	522	355	413	427	279	325
2	540	539	366	424	432	277	321
3	568	565	383	439	438	282	323
4	583	581	390	465	442	284	338
1978 *1*	600	598	402	466	442	292	334
2	624	620	418	496	448	293	348
3	648	645	439	511	453	301	351
4							

[1] At factor cost. [2] Based on expenditure data.


Total final expenditure
Percentage share, current market prices, 1977
Stockbuilding
Exports of goods and services.
Gross fixed investment
Private sector
Public sector
Consumers' expenditure
General government consumption
Total domestic income
Percentage share, factor cost, 1977
Other domestic income
Gross trading profits of companies
Income from employment


Income, product and spending *per capita*
1975 prices, percentage change on year earlier
Gross domestic product (e)
Consumers' expenditure
Personal disposable income
9
8
7
6
5
4
3
2
1
0
−1
−2
−3
1968
1969
1970
1971
1972
1973
1974
1975
1976
1977

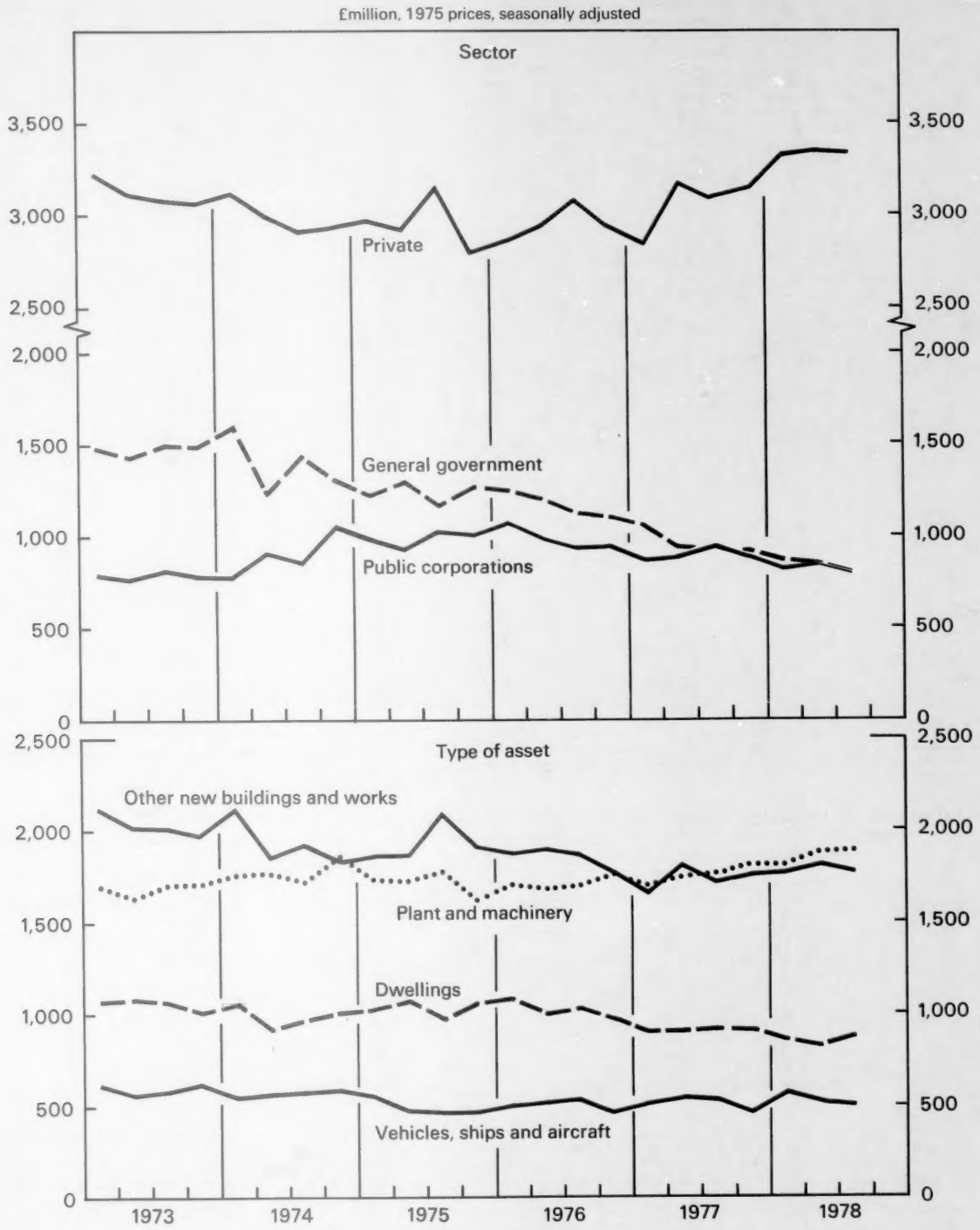
Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

£ million, 1975 prices[1]

	Sector[2]			Type of asset					
				Dwellings					
	Total§	Private sector	General government	Public corporations	Total	*of which:* Private	*of which:* Public	Other new building and works[3]	Vehicles, ships and aircraft	Plant and machinery
1967	18,440	9,132	5,340	3,992	4,312	1,965	2,140	6,931	1,402	5,889
1968	19,287	9,984	5,608	3,726	4,515	2,082	2,243	7,279	1,730	5,891
1969	19,360	10,607	5,511	3,263	4,317	1,932	2,194	7,368	1,700	6,071
1970	19,845	10,869	5,599	3,392	3,967	2,006	1,972	7,653	1,825	6,402
1971	20,209	11,360	5,421	3,411	4,218	2,401	1,822	7,885	1,889	6,300
1972	20,240	12,001	5,195	3,002	4,443	2,748	1,692	7,745	2,155	6,006
1973	21,609	12,519	5,928	3,162	4,281	2,491	1,790	8,145	2,415	6,768
1974	21,164	11,967	5,578	3,619	3,979	2,041	1,938	7,749	2,323	7,113
1975	20,817	11,860	4,974	3,983	4,163	2,196	1,967	7,747	2,017	6,890
1976	20,489	11,838	4,696	3,955	4,144	2,105	2,039	7,436	2,045	6,864
1977	19,738	12,286	3,854	3,598	3,656	1,828	1,828	6,964	2,091	7,027
1973 *1*	5,534	3,239	1,495	800	1,087	640	447	2,122	625	1,700
2	5,321	3,119	1,436	766	1,094	656	438	2,020	565	1,642
3	5,399	3,092	1,499	808	1,076	610	466	2,018	593	1,712
4	5,355	3,069	1,498	788	1,024	585	439	1,985	632	1,714
1974 *1*	5,502	3,119	1,596	787	1,064	570	494	2,119	562	1,757
2	5,142	2,999	1,229	914	930	494	436	1,857	581	1,774
3	5,217	2,912	1,443	862	979	451	528	1,928	585	1,725
4	5,303	2,937	1,310	1,056	1,006	526	480	1,845	595	1,857
1975 *1*	5,203	2,969	1,238	996	1,033	554	479	1,865	564	1,741
2	5,170	2,930	1,301	939	1,081	574	507	1,866	488	1,735
3	5,353[4]	3,154[4]	1,165	1,034	987	543	444	2,098[4]	484	1,784
4	5,091	2,807	1,270	1,014	1,062	525	537	1,918	481	1,630
1976 *1*	5,187	2,862	1,252	1,073	1,096	562	534	1,878	504	1,709
2	5,137[4]	2,942[4]	1,204	991	1,016	508	508	1,900[4]	523	1,698
3	5,168[4]	3,086[4]	1,137	945	1,044	543	501	1,882[4]	541	1,701
4	4,997	2,948	1,103	946	988	492	496	1,776	477	1,756
1977 *1*	4,794	2,852	1,063	879	903	417	486	1,671	518	1,702
2	5,025[4]	3,187[4]	944	894	911	461	450	1,813[4]	550	1,751
3	4,965	3,100	928	937	924	477	447	1,727	547	1,767
4	4,954	3,147	919	888	918	473	445	1,753	476	1,807
1978 *1*	5,030†	3,329†	885†	816†	861	448	413	1,786†	574	1,809†
2	5,056	3,356	850	850	832†	448†	384	1,819	526†	1,879
3	5,029	3,337	811	811	873	430	443	1,773	494	1,889
4										
	Percentage change, quarter on corresponding quarter of previous year									
1976 *1*	*− 0·3*	*− 3·6*	*+ 1·1*	*+ 7·7*	*+ 6·1*	*+ 1·4*	*+11·5*	*+ 0·7*	*−10·6*	*− 1·8*
2	*− 0·6*	*+ 0·4*	*− 7·5*	*+ 5·5*	*− 6·0*	*−11·5*	*+ 0·2*	*+ 1·8*	*+ 7·2*	*− 2·1*
3	*− 3·5*	*− 2·2*	*− 2·4*	*− 8·6*	*+ 5·8*	*—*	*+12·8*	*−10·3*	*+11·8*	*− 4·7*
4	*− 1·8*	*+ 5·0*	*− 3·1*	*− 6·7*	*− 7·0*	*− 6·3*	*− 7·6*	*− 7·4*	*− 0·8*	*+ 7·7*
1977 *1*	*− 7·6*	*− 0·3*	*−15·1*	*−18·1*	*−17·6*	*−25·8*	*− 9·0*	*−11·0*	*+ 2·8*	*− 0·4*
2	*− 2·2*	*+ 8·3*	*−21·6*	*− 9·8*	*−10·3*	*− 9·3*	*−11·4*	*− 4·6*	*+ 5·2*	*+ 3·1*
3	*− 3·9*	*+ 0·5*	*−18·4*	*− 0·8*	*−11·5*	*−12·2*	*−10·8*	*− 8·2*	*+ 1·1*	*+ 3·9*
4	*− 0·9*	*+ 6·8*	*−16·7*	*− 6·1*	*− 7·1*	*−, 3·9*	*−10·3*	*− 1·3*	*− 0·2*	*+ 2·9*
1978 *1*	*+ 4·9†*	*+16·7†*	*−16·7†*	*− 7·2†*	*− 4·7*	*+ 7·4*	*−15·0*	*+ 6·9†*	*+10·8*	*+ 6·3†*
2	*+ 0·6*	*+ 5·3*	*−10·0*	*− 4·9*	*− 8·7†*	*− 2·8†*	*−14·7*	*+ 0·3*	*− 4·4†*	*+ 7·3*
3	*+ 1·3*	*+ 7·6*	*−12·6*	*+13·4*	*+ 5·5*	*− 9·9*	*− 0·9*	*+ 2·7*	*− 9·7*	*+ 6·9*
4										

[1] For the years prior to 1973, totals may not equal the sum of their components, due to the method used in rebasing to 1975 prices.
[2] Including purchases *less* sales of land and existing buildings. [3] Including transfer costs of land and buildings.
[4] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £200 million in 3rd quarter 1975, £150 million in 2nd quarter 1976, £125 million in 3rd quarter 1976 and £225 million in 2nd quarter 1977.


£million, 1975 prices, seasonally adjusted
Sector
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Private
General government
Public corporations
Type of asset
Other new buildings and works
Plant and machinery
Dwellings
Vehicles, ships and aircraft
1973
1974
1975
1976
1977
1978

Indicators of fixed investment by manufacturing industry

	Gross fixed investment in manufacturing industry							New orders received by contractors for private industrial work (GB)
	Total§	Plant and machinery			New building and works			
		Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
	£ million, 1975 prices, seasonally adjusted	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted
1967	3,412·4	2,398·7	*+ 1*	..	819·9	*−12*	..	1,311
1968	3,641·8	2,568·9	*+ 7*	..	860·9	*+ 5*	..	1,368
1969	3,897·7	2,679·5	*+ 4*	..	994·3	*+15*	..	1,507
1970	4,196·4	2,974·2	*+11*	..	1,000·2	*+ 1*	..	1,410
1971	3,922·5	2,795·3	*− 6*	..	905·2	*− 9*	..	1,012
1972	3,397·8	2,420·4	*−13*	..	738·0	*−18*	..	1,003
1973	3,504·1	2,505·3	*+ 4*	..	738·7	—	..	1,287
1974	3,822·0	2,821·3	*+13*	..	727·1	*− 2*	..	1,076
1975	3,521·9	2,682·1	*− 5*	..	639·9	*−12*	..	684
1976	3,345·3	2,591·7	*− 3*	..	513·9	*−20*	..	797
1977	3,572·6	2,739·7	*+ 6*	..	547·1	*+ 6*	..	957
1973 *1*	878·0	632·7	*− 2*	30	179·1	*− 9*	4	303
2	845·3	604·6	*+ 2*	35	178·8	*− 5*	11	310
3	911·7	653·5	*+12*	39	192·2	*+ 4*	18	326
4	869·1	614·5	*+ 4*	38	188·6	*+12*	16	348
1974 *1*	951·1	691·1	*+ 9*	− 3	191·6	*+ 7*	−15	270
2	948·3	697·0	*+15*	2	182·1	*+ 2*	−10	271
3	947·5	702·9	*+ 8*	− 6	174·8	*− 9*	−22	274
4	975·1	730·3	*+19*	−33	178·6	*− 5*	−39	262
1975 *1*	941·7	710·7	*+ 3*	−41	176·7	*− 8*	−47	209
2	900·8	685·7	*− 2*	−27	167·6	*− 8*	−42	164
3	849·9	646·2	*− 8*	−24	155·9	*−11*	−39	183
4	829·5	639·5	*−12*	−15	139·7	*−22*	−31	128
1976 *1*	813·0	624·4	*−12*	10	135·0	*−24*	−12	180
2	827·8	640·8	*− 7*	15	126·3	*−25*	− 9	194
3	848·7	659·5	*+ 2*	25	126·9	*−19*	− 3	193
4	855·8	667·0	*+ 4*	26	125·7	*−10*	1	229
1977 *1*	851·2	653·0	*+ 5*	29	128·2	*− 5*	4	214
2	879·1	669·2	*+ 4*	31	134·4	*+ 6*	—	264
3	910·2	701·7	*+ 6*	23	139·3	*+10*	− 4	244
4	932·1	715·8	*+ 7*	21	145·2	*+16*	− 3	236
1978 *1*	920·1	710·5	*+ 9*	21	140·9	*+10*	− 4	272
2	959·7	745·7	*+11*	18	145·2	*+ 8*	− 7	272†
3	967·6†	747·9†	*+ 7†*	13	153·8	*+10*	−15	281[2]
4				10			−11	

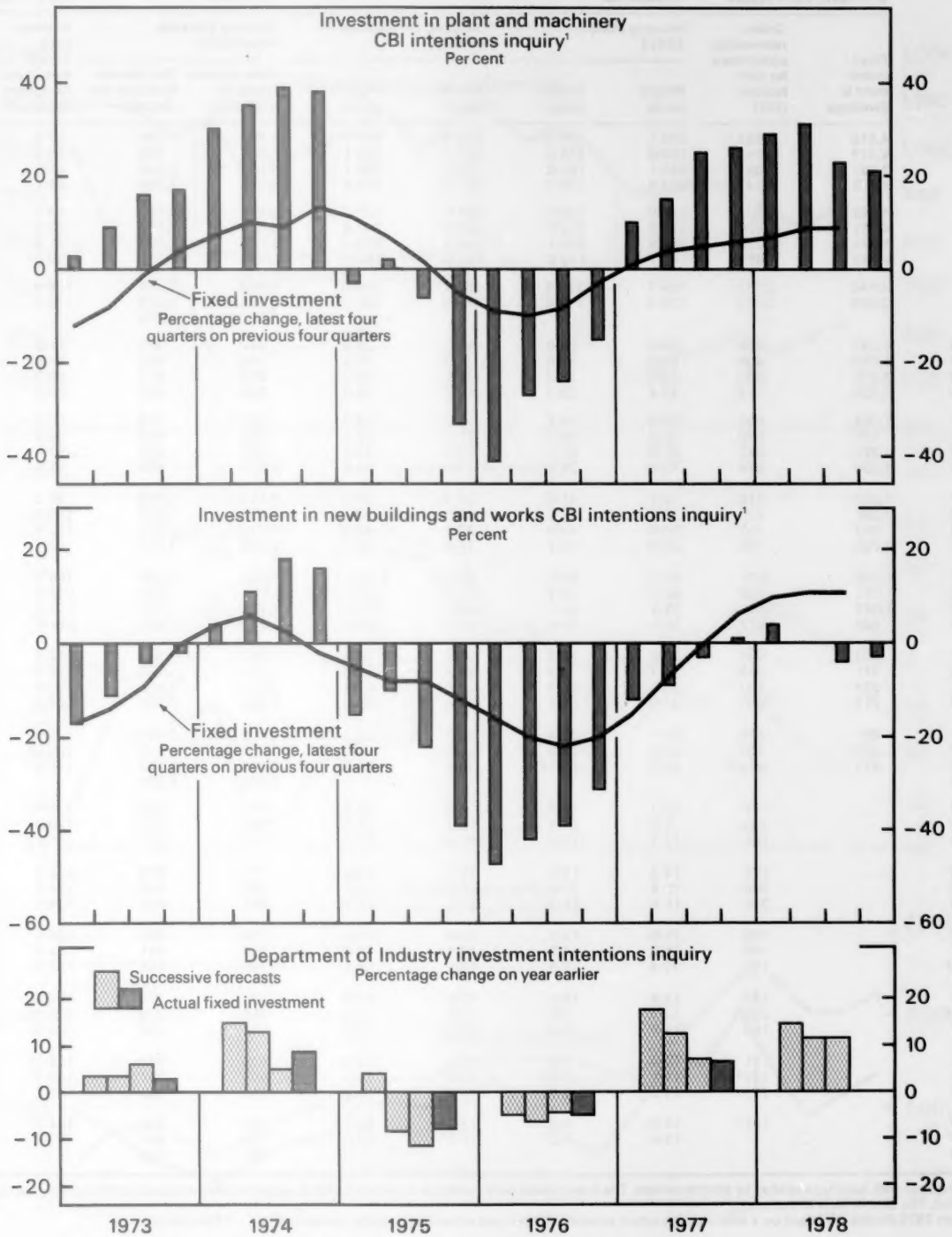
[1] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.
[2] Provisional.

Department of Industry inquiry into investment intentions[1]: manufacturing industry

Percentage change over previous year, in volume terms

	Gross fixed investment			
	First forecast	Second forecast	Third forecast	Actual
1968	probably some increase	about +5	less than +5	+ 6·7
1969	between +10 and +15	+10 to +15, perhaps top end	of the order of +10	+ 7·0
1970	about +10	about +10	about +2 or +3	+ 7·7
1971	no large change	about −2	about −6 to −8	− 6·5
1972	little change, perhaps a rise	about −3	−7	−13·4
1973	+2 to +5	+2 to +5	+6	+ 3·1
1974	strong increase about +15	some +12 to +14	about +5	+ 9·1
1975	less than +5	−7 to −10	about −11 or −12	− 7·9
1976	of the order of −5	−5 to −8	−4 to −5	− 5·0
1977	between +15 and +20	+10 to +15	+7	+ 6·8
1978	between +12 and +17	+10 to +13	+10 to +13	
1979	+4 to +8			

[1] For each year the first inquiry is held in the preceding summer, the second at the end of the previous year and the third in the summer of the year concerned. (In addition, the inquiry at the end of the year seeks preliminary information in respect of the second year ahead and another survey in the spring of each year updates the intentions for both years covered by this inquiry; these inquiries are not included in the table.) An article, 'Investment intentions survey: a 10 year review', was published in *Trade and Industry* for 27 October 1978. In this article the table is expanded to include all the inquiries for manufacturing industry, and a similar table is included for the inquiries into the distributive and service industries.



[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment

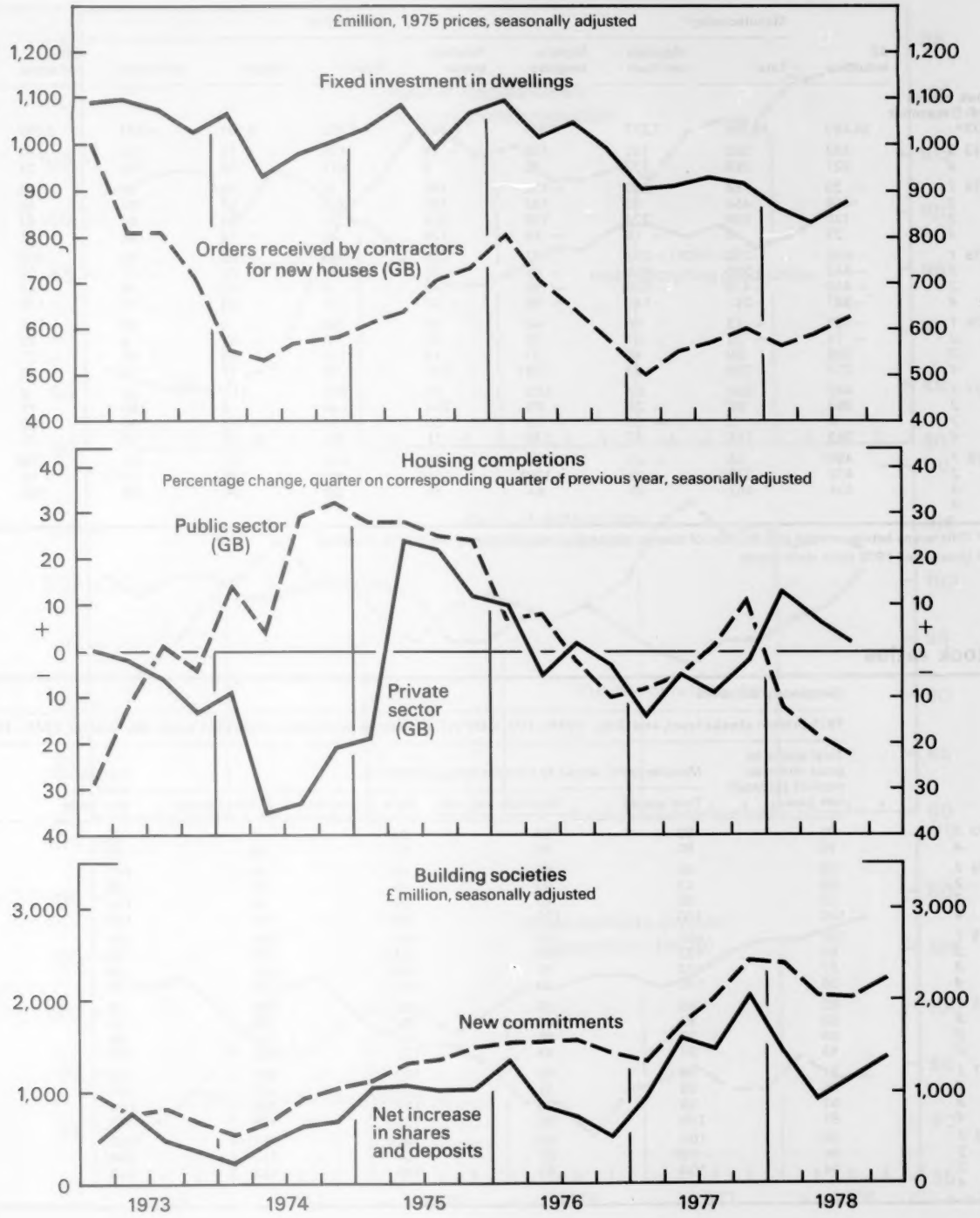
Indicators of fixed investment in dwellings

	Seasonally adjusted								Unadjusted
	£ million, 1975 prices		Thousands				£ million		1975 =100
			Housing starts (GB) §		Housing completions (GB) §		Building Societies Association		
	Fixed investment in dwellings	Orders received by contractors for new houses (GB)	Private sector	Public sector	Private sector	Public sector	New commitments for mortgages	Net increase in shares and deposits	Average price of new dwellings: mortgages approved [1]
1968	4,515	3,787	200·1	194·3	222·0	191·7	1,480	767	37·4
1969	4,317	3,064	166·8	176·6	181·7	185·1	1,580	895	39·3
1970	3,967	3,093	165·1	153·8	170·3	180·1	2,188	1,490	41·8
1971	4,218	3,147	207·4	136·9	191·6	158·9	3,013	2,034	48·1
1972	4,443	3,507	228·0	123·0	196·5	122·8	3,802	2,193	63·3
1973	4,281	3,320	215·7	112·8	186·6	107·5	3,254	2,162	86·2
1974	3,979	2,224	105·9	146·1	140·9	128·6	3,115	1,993	91·4
1975	4,163	2,663	149·1	173·8	150·8	162·3	5,302	4,172	100·0 [2]
1976	4,144	2,712	154·7	170·8	152·2	163·0	6,089	3,405	108·4
1977	3,656	2,212	134·8	132·1	140·3	162·5	7,524	6,099	119·0
1978							8,710	4,879	
1973 *1*	1,087	995	62·6	29·8	48·8	25·8	991	476	81·8
2	1,094	805	54·9	27·8	49·0	29·5	759	805	85·8
3	1,076	803	52·8	27·2	46·1	26·2	816	511	88·3
4	1,024	718	45·4	28·0	42·7	26·0	688	370	90·6
1974 *1*	1,064	553	33·8	34·1	44·3	29·5	533	218	90·5
2	930	526	25·8	39·7	31·9	30·8	598	456	90·0
3	979	568	22·5	36·5	30·9	33·9	931	834	92·3
4	1,006	578	23·8	35·8	33·8	34·4	1,053	685	92·6
1975 *1*	1,033	610	33·1	41·4	35·8	37·8	1,119	1,054	95·3
2	1,081	625	37·4	37·8	39·6	39·3	1,311	1,085	100·0
3	987	702	38·0	43·9	37·6	42·5	1,373	1,012	102·1
4	1,062	726	40·6	50·7	37·8	42·7	1,499	1,021	102·7
1976 *1*	1,096	801	42·0	49·8	39·4	40·6	1,537	1,341	104·3
2	1,016	700	42·0	44·3	37·8	42·4	1,552	824	107·9
3	1,044	640	39·3	44·3	38·3	41·5	1,581	727	110·3
4	988	572	31·4	32·4	36·7	38·5	1,419	513	111·5
1977 *1*	903	496	29·9	30·3	33·7	37·5	1,337	963	112·7
2	911	548	34·7	32·7	35·8	40·3	1,743	1,599	116·6
3	924	567	35·3	34·6	34·8	41·8	2,018	1,487	120·5
4	918	601	34·9	34·5	36·0	42·9	2,426	2,050	124·5
1978 *1*	861	565	35·1	26·4	38·0	32·9	2,402†	1,415†	130·5
2	832†	587	40·6	29·9	38·3	33·0	2,050	915	138·0†
3	873	623 [3]†	37·4	26·1†	35·5	32·7†	2,030	1,168	148·2
4							2,228	1,381	
1977 *J*	..	177	12·2	11·6	12·6	12·8	611	436	119·5
A	..	195	9·8	10·9	10·4	14·4	690	470	120·8
S	..	194	13·3	12·1	11·8	14·6	717	581	121·1
O	..	179	12·3	12·4	12·3	14·9	775	676	123·1
N	..	206	10·8	11·1	11·3	13·7	809	709	124·5
D	..	216	11·8	11·0	12·4	14·3	842	665	126·1
1978 *J*	..	189	11·5	10·6	13·0	11·4	813†	525	128·5
F	..	189	11·2	7·2	12·1	10·6	823	441	129·2
M	..	188	12·4	8·6	12·9	10·9	766	449	133·5
A	..	183	13·5	10·0	12·4	10·8	720	299	135·8
M	..	205	12·2	9·9	12·5	11·3	686	300	136·9
J	..	198	14·9	10·0	13·4	10·9	644	316	141·5
J	..	191	12·0	9·6	12·5	12·0	635	350	144·7†
A	..	225 [3]†	11·1	7·9†	10·9	10·3	685	362	148·7
S	..	207 [3]	14·3	8·6	12·1	10·4†	710	456	151·2
O	..	193 [3]	14·5†	8·8	12·2†	10·4	720	436	154·7
N	..		13·4	7·2	11·3	10·5	717	441	157·4
D	..						791	504	

[1] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.

[2] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages.

[3] Provisional.


£million, 1975 prices, seasonally adjusted
Fixed investment in dwellings
Orders received by contractors for new houses (GB)
1,200
1,100
1,000
900
800
700
600
500
400
Housing completions
Percentage change, quarter on corresponding quarter of previous year, seasonally adjusted
Public sector (GB)
Private sector (GB)
40
30
20
10
+
0
−
10
20
30
40
Building societies
£ million, seasonally adjusted
New commitments
Net increase in shares and deposits
3,000
2,000
1,000
0
1973
1974
1975
1976
1977
1978

Stock changes

Seasonally adjusted

£ million, 1975 prices

	All industries	Manufacturing[1]				Distribution			Other industries
		Total	Materials and fuels	Work in progress	Finished goods	Total	Retail	Wholesale	
Book values end-December									
1977[2]	34,469	19,995	7,277	7,321	5,397	7,722	3,181	4,541	6,752
1973 *3*	682	330	192	158	− 19	195	75	120	157
4	521	269	172	92	6	221	96	125	31
1974 *1*	− 29	54	336	−138	−145	25	− 63	88	−108
2	748	454	63	147	243	209	53	156	86
3	720	685	274	108	304	− 33	− 94	61	67
4	23	94	− 15	− 65	175	− 20	− 76	56	− 51
1975 *1*	−656	−258	−292	− 77	109	−189	−105	− 84	−209
2	−442	−230	−156	− 45	− 28	−202	− 95	−107	− 10
3	−440	−476	−338	− 90	− 48	− 5	40	− 45	41
4	−387	−257	−140	− 60	− 57	49	60	− 11	−179
1976 *1*	−125	− 13	− 88	42	34	50	7	43	−162
2	− 17	− 29	− 47	38	− 20	− 76	− 67	− 9	88
3	189	99	48	37	14	127	46	81	− 37
4	214	259	23	104†	131	43	27	16	− 88
1977 *1*	442	234	92	123	21	199	117	82	9
2	354	97	− 38	− 69	204	184	4	180	73
3	6	− 5	− 23	− 33	50	−139	− 59	− 80	150
4	249	116	− 47	174	− 11	51	− 33	84	82
1978 *1*	460†	38	− 26	17	48	143	62	81	279†
2	432	272†	− 15†	128†	158†	66†	128	− 62†	94
3	434	162	20	84	58	92	54	38	180
4									

[1] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

[2] Unadjusted 1975 price stock levels.

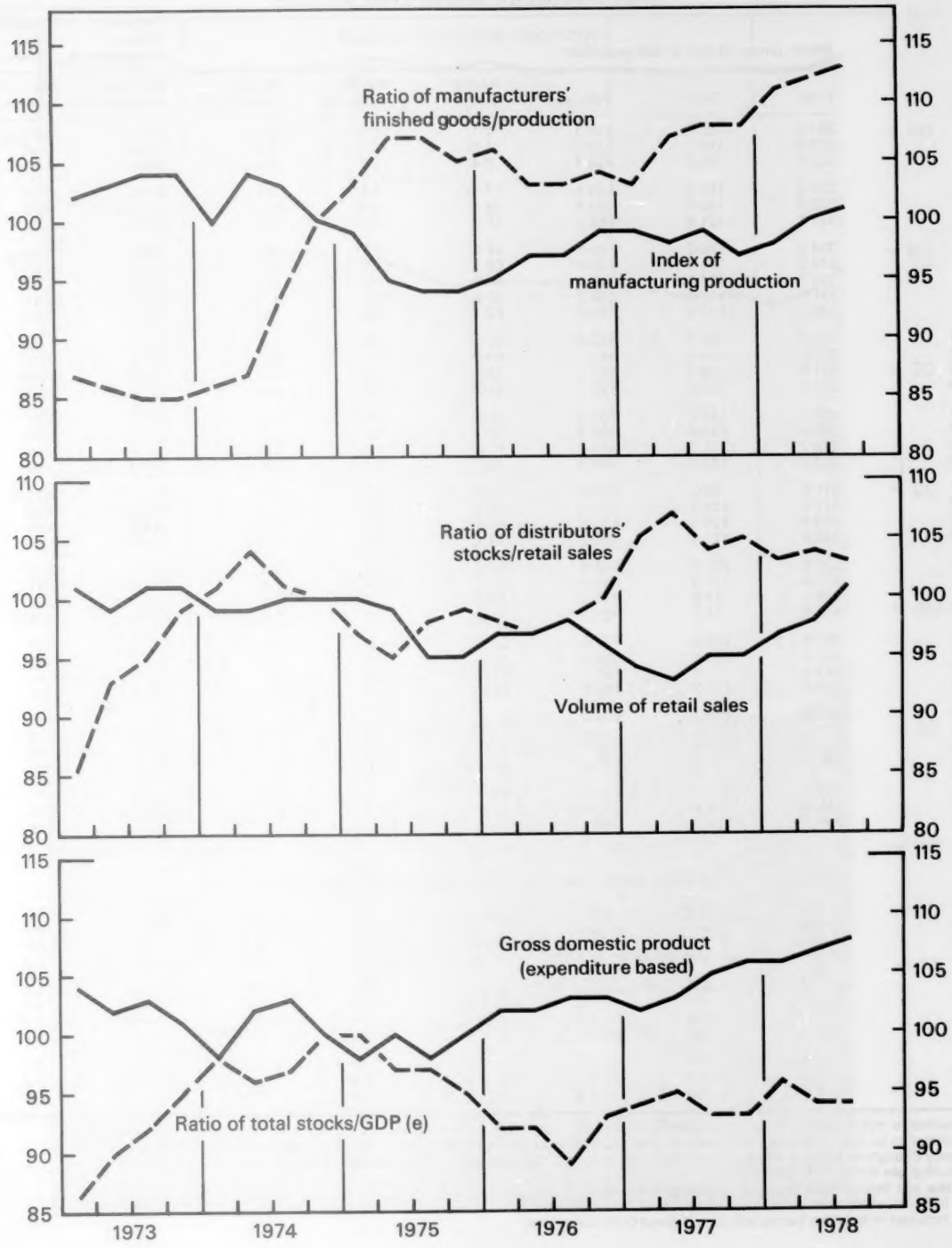
Stock ratios

Seasonally adjusted

1975 prices: stocks level, end-Dec. 1974=100; GDP (e), industrial production and retail sales, 4th quarter 1974=100

	Total stocks to gross domestic product (expenditure based)	Manufacturers' stocks to manufacturing production				Distributors' stocks to retail sales
		Total stocks	Materials and fuel	Work in progress	Finished goods	
1973 *3*	92	89	86	94	85	95
4	95	90	88	95	85	99
1974 *1*	98	94	96	98	86	101
2	96	92	93	96	87	104
3	97	96	97	98	94	101
4	100	100	100	100	100	100
1975 *1*	100	100	97	100	103	97
2	97	103	100	104	107	95
3	97	102	97	103	107	98
4	95	100	94	102	105	99
1976 *1*	92	99	93	102	106	98
2	92	97	90	100	103	97
3	89	97	90	101	103	98
4	93	97	89	101	104	100
1977 *1*	94	98	90	102	103	105
2	95	99	91	102	107	107
3	93	99	90	101	108	104
4	93	100	90	105	108	105
1978 *1*	96†	100	89†	104†	111†	103
2	94	99†	87	104	112	104†
3	94	100	87	105	113	103
4						

1975 prices, seasonally adjusted.

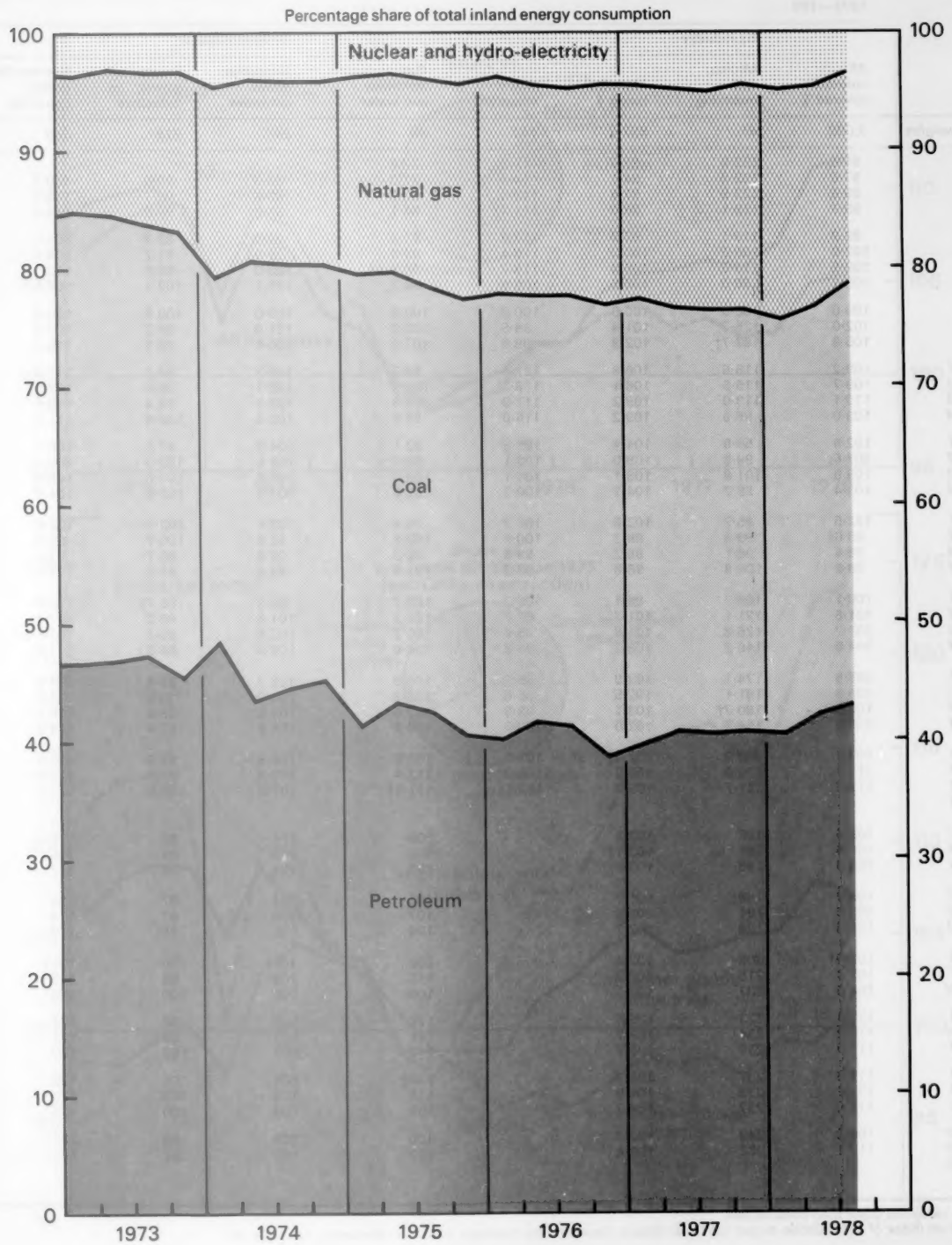


Inland energy consumption

Annual rates, seasonally adjusted and temperature corrected

	Primary fuel input[1]						Public supply	
	Million tonnes of coal or coal equivalent						Thousand million kilowatt hours	Thousand million therms
	Total	Coal[2]	Petroleum[3]	Natural gas[4]	Nuclear electricity[5]	Hydro electricity[5]	Electricity available(GB)[6]	Gas available(GB)[7]
1967	303·2	166·3	123·1	2·1	9·0	2·7	177·8	4·37
1968	312·9	166·7	129·2	4·8	10·2	2·0	193·6	4·88
1969	323·0	162·8	138·4	9·4	10·7	1·7	200·5	5·40
1970	336·3	156·8	149·8	17·8	9·5	2·4	211·6	6·30
1971	332·9	140·0	152·4	28·8	9·9	1·8	215·9	8·25
1972	337·4	121·8	162·2	41·0	10·6	1·8	224·1	10·82
1973	354·2	133·2	164·5	44·4	10·1	2·0	241·0	12·04
1974	337·9	117·7	153·1	52·9	12·1	2·1	235·5	13·53
1975	326·9	120·6	137·1	56·3	10·9	2·0	234·2	13·90
1976	331·5	123·0	134·2	59·5	12·9	1·9	236·7	14·41
1977	338·2	122·4	136·8	62·7	14·3	2·0	240·2	15·42
1972 *1*	316·9	104·8	162·7	36·0	11·6	1·8	213·4	9·98
2	337·9	121·1	163·7	40·3	10·5	2·3	224·4	10·70
3	341·5	128·0	157·2	44·4	9·9	2·0	226·3	11·18
4	353·6	133·3	165·2	43·2	10·8	1·1	232·2	11·42
1973 *1*	350·1	134·5	162·8	40·0	10·9	1·9	243·2	11·51
2	355·4	134·6	165·8	43·7	9·3	2·0	241·3	11·69
3	358·7	131·3	169·2	45·8	10·2	2·2	241·3	12·19
4	352·5	132·4	160·3	48·1	9·9	1·8	238·3	12·79
1974 *1*	311·5	96·3	150·8	50·1	11·5	2·8	216·3	13·20
2	342·4	126·7	149·4	52·6	12·4	1·3	237·1	13·49
3	350·9	125·9	155·8	54·9	12·3	2·0	244·2	13·66
4	346·9	122·0	156·3	54·1	12·1	2·4	244·3	13·78
1975 *1*	331·1	127·2	136·8	54·2	10·8	2·1	236·2	13·73
2	331·4	121·2	143·0	55·2	10·4	1·6	237·3	13·71
3	326·4	116·9	139·2	57·4	10·8	2·1	234·7	13·97
4	318·9	117·2	129·2	58·5	12·0	2·0	228·5	14·17
1976 *1*	332·5	125·5	133·8	60·4	10·9	1·9	230·9	14·27
2	334·6	120·8	139·5	59·2	12·5	2·6	240·4	14·36
3	330·9	120·5	136·7	57·6	14·6	1·5	244·3	14·46
4	328·0	125·2	126·8	61·0	13·4	1·6	231·4	14·56
1977 *1*	336·9	126·3	134·0	61·1	13·9	1·6	237·9	14·95
2	337·7	121·1	137·7	62·0	14·5	2·4	242·9	15·32
3	340·5	121·6	138·1	63·4	15·7	1·7	248·3	15·58
4	337·5	120·4	137·3	64·3	13·1	2·4	231·9	15·81
1978 *1*	331·7	116·4	134·4	64·5	14·6	1·8	237·3	15·71
2	340·9†	118·4†	143·7	63·4	13·3	2·1	248·6	15·81
3	336·8	117·2	144·4	60·1	13·2	1·9	255·0	15·98
	Percentage change, quarter on corresponding quarter of previous year							
1976 *1*	*+ 0·4*	*− 1·3*	*− 2·2*	*+11·4*	*+ 0·9*	*− 9·5*	*− 2·2*	*+ 3·9*
2	*+ 1·0*	*− 0·3*	*− 2·5*	*+ 7·2*	*+20·2*	*+62·5*	*+ 1·3*	*+ 4·7*
3	*+ 1·4*	*+ 3·1*	*− 1·8*	*+ 0·3*	*+35·2*	*−28·6*	*+ 4·1*	*+ 3·5*
4	*+ 2·9*	*+ 6·8*	*− 1·9*	*+ 4·3*	*+11·7*	*−20·0*	*+ 1·3*	*+ 2·8*
1977 *1*	*+ 1·3*	*+ 0·6*	*—*	*+ 1·2*	*+27·5*	*−15·8*	*+ 3·0*	*+ 4·8*
2	*+ 0·9*	*+ 0·2*	*− 1·3*	*+ 4·7*	*+16·0*	*− 7·7*	*+ 1·0*	*+ 6·7*
3	*+ 2·9*	*+ 0·9*	*+ 1·0*	*+10·1*	*+ 7·5*	*+13·3*	*+ 1·6*	*+ 7·7*
4	*+ 2·9*	*− 3·8*	*+ 8·3*	*+ 5·4*	*− 2·2*	*+50·0*	*+ 0·2*	*+ 8·6*
1978 *1*	*− 1·6*	*− 7·8*	*+ 0·2*	*+ 5·6*	*+ 5·0*	*+12·5*	*− 0·2*	*+ 5·1*
2	*+ 0·9*	*− 2·4*	*+ 4·4*	*+ 2·0*	*− 8·8*	*−11·4*	*+ 2·3*	*+ 3·2*
3	*− 1·1*	*− 3·6*	*+ 4·6*	*− 5·2*	*−15·9*	*+11·8*	*+ 2·7*	*+ 2·6*

[1] Converted to metric tonnes. Temperature correction has been introduced for natural gas. Details are given in *Energy Trends*, May 1978.
[2] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels.
[3] Refinery throughput of crude oil *plus* net foreign trade and stock change in petroleum products *less* deliveries of non-energy products.
[4] Excluding gas flared or re-injected.
[5] Nuclear and hydro electricity are not temperature corrected.
[6] The inclusion of Northern Ireland would add about 2% to the total.
[7] The inclusion of Northern Ireland would add about 0·3% to the total.


Percentage share of total inland energy consumption
Nuclear and hydro-electricity
Natural gas
Coal
Petroleum
100
90
80
70
60
50
40
30
20
10
0
1973
1974
1975
1976
1977
1978

Index of industrial production

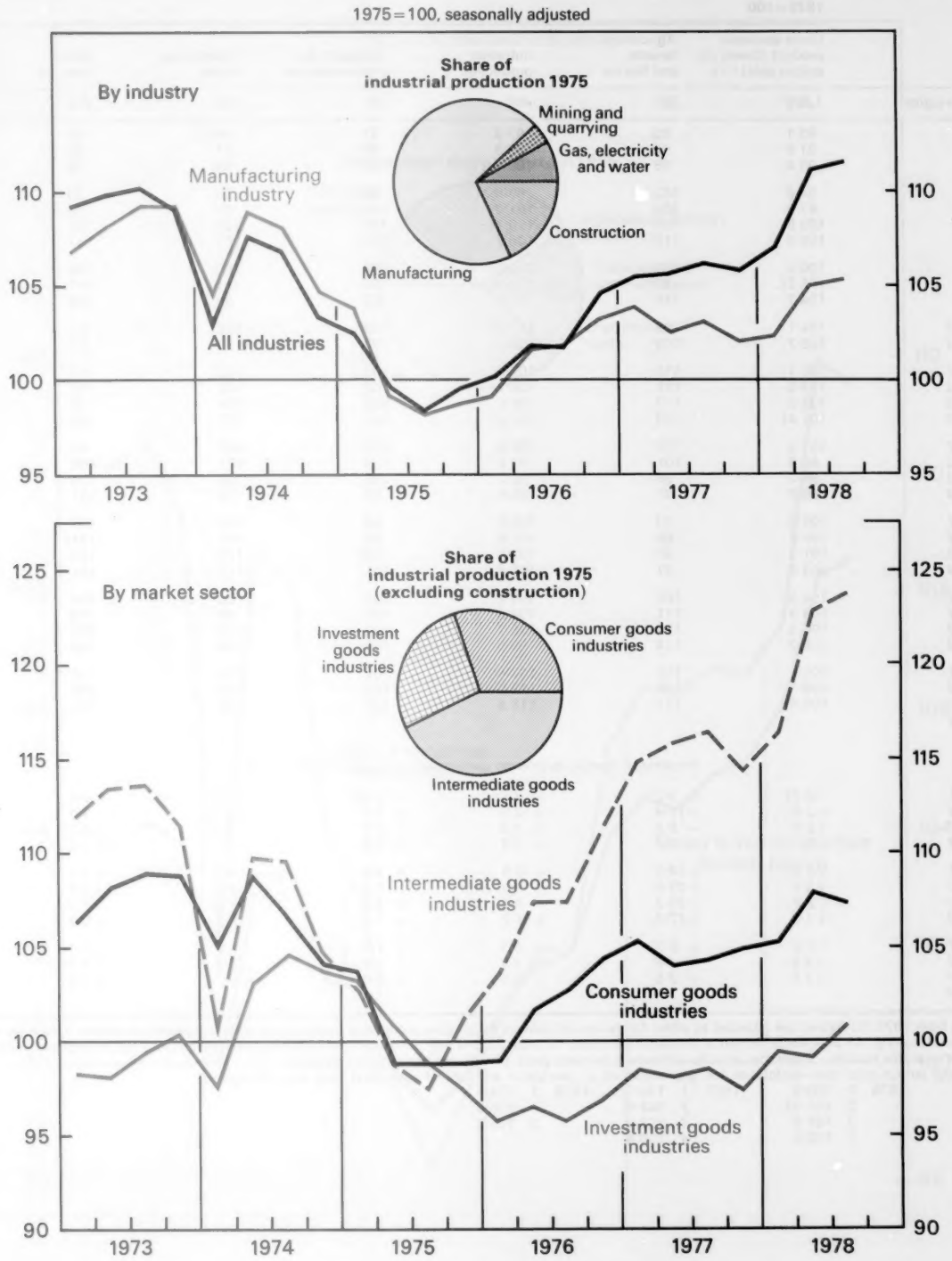
Seasonally adjusted

1975=100

		By industry				By market sector[1]		
	All industries covered §	Mining and quarrying	Manufacturing §	Construction[2]	Gas, electricity and water	Consumer goods industries	Investment goods industries	Intermediate goods industries
1975 weights	*1,000*	*41*	*697*	*182*	*80*	*243*	*218*	*349*
1967	91·2	132·6	87·8	111·6	72·6	..	..	..
1968	97·0	132·4	94·1	114·4	77·0	86·9	90·6	100·7
1969	99·6	123·9	97·6	113·5	80·9	89·4	95·7	102·9
1970	99·7	119·1	98·0	111·4	84·1	91·0	95·6	103·0
1971	99·8	119·1	97·4	113·3	87·3	93·3	93·7	102·1
1972	102·0	100·2	100·0	115·4	93·6	99·9	91·2	104·1
1973	109·5	110·2	108·4	118·2	99·3	108·0	99·0	112·6
1974	105·1	90·0	106·5	105·8	99·2	106·1	102·1	106·1
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	102·0	125·7	101·4	98·5	102·9	101·9	96·2	107·5
1977	105·8	187·7†	102·9	98·0	107·0	104·6	98·1	115·4
1973 *1*	109·2	115·5	106·9	121·4	98·3	106·3	98·2	111·9
2	109·7	115·6	108·1	118·3	100·5	108·1	98·0	113·5
3	110·1	113·0	109·2	117·9	98·6	108·9	99·4	113·6
4	109·0	96·9	109·2	115·0	99·6	108·8	100·4	111·5
1974 *1*	102·6	59·9	104·4	109·8	92·1	104·9	97·4	100·4
2	107·6	99·5	109·0	108·1	99·0	108·8	102·9	109·6
3	106·9	101·8	108·1	105·1	103·0	106·6	104·6	109·5
4	103·4	98·7	104·7	100·2	102·6	104·1	103·6	104·7
1975 *1*	102·5	95·7	103·8	100·7	99·4	103·6	103·1	102·6
2	99·6†	99·4	99·2	100·4	100·8	98·8	100·7	98·8
3	98·4	98·1	98·2	99·6	98·3	98·8	98·7	97·4
4	99·5	106·8	98·8	99·3	101·5	98·8	97·5	101·2
1976 *1*	100·1	109·7	99·1	100·2	103·7	98·9	95·7†	103·5
2	101·8	121·1	101·7	97·7	102·7	101·6	96·5	107·4
3	101·7	125·8	101·8	96·4	100·2	102·6	95·7	107·4
4	104·5	146·2	103·2	99·8	104·9	104·4	96·9	111·5
1977 *1*	105·5	174·1	103·9	96·1	106·5	105·3	98·4	114·9
2	105·6	191·1	102·5	96·6	108·9	104·0	98·0	115·9
3	106·2	190·7†	103·1	98·5	107·6	104·3†	98·5	116·4
4	105·8	194·7	102·0	100·7	105·2	104·9	97·4	114·3
1978 *1*	107·1	208·9	102·4†	101·5	108·3	105·3	99·4	116·3
2	111·1	230·9	105·0	106·8	112·4	107·9	99·0	122·9†
3	111·6	237·7	105·3	107·4†	111·5†	107·3	100·8	123·7
4								
1977 *J*	105·9	185	103·2	..	106	104	98	116
A	106·4	191	103·1†	..	109	105	99	116
S	106·4	196	103·0	..	108	104	99	117
O	105·6	196†	101·7	..	105	104	97	115
N	105·5	191	101·6	..	107	105	97	114
D	106·3	198	102·7	..	104	106	98	115
1978 *J*	106·9†	205	102·4	..	108	105†	100	116†
F	107·4	215	102·2	..	111	105	99	118
M	106·9	207	102·5	..	106	106	100	116
A	111·4	223	105·5	..	116	108	98	124
M	110·2	234	103·7	..	111	107	99	121
J	111·6	236	105·7	..	110	109	100	123
J	111·8	237	105·3	..	114†	106	101	125
A	112·1	239	105·9	..	111	109	101	123
S	111·0	237	104·7	..	109	107	100	123
O	109·2	243	102·9	..	106	106	98	121
N	110·1	262	103·4		103	106	97	124
D								

[1] All industries other than construction.

[2] For an index of construction output for Great Britain, incorporating the latest available information see page 30.


1975=100, seasonally adjusted
By industry
Share of industrial production 1975
Mining and quarrying
Gas, electricity and water
Construction
Manufacturing
Manufacturing industry
All industries
110
105
100
95
1973
1974
1975
1976
1977
1978
By market sector
Share of industrial production 1975 (excluding construction)
Investment goods industries
Consumer goods industries
Intermediate goods industries
Intermediate goods industries
Consumer goods industries
Investment goods industries
125
120
115
110
105
100
95
90

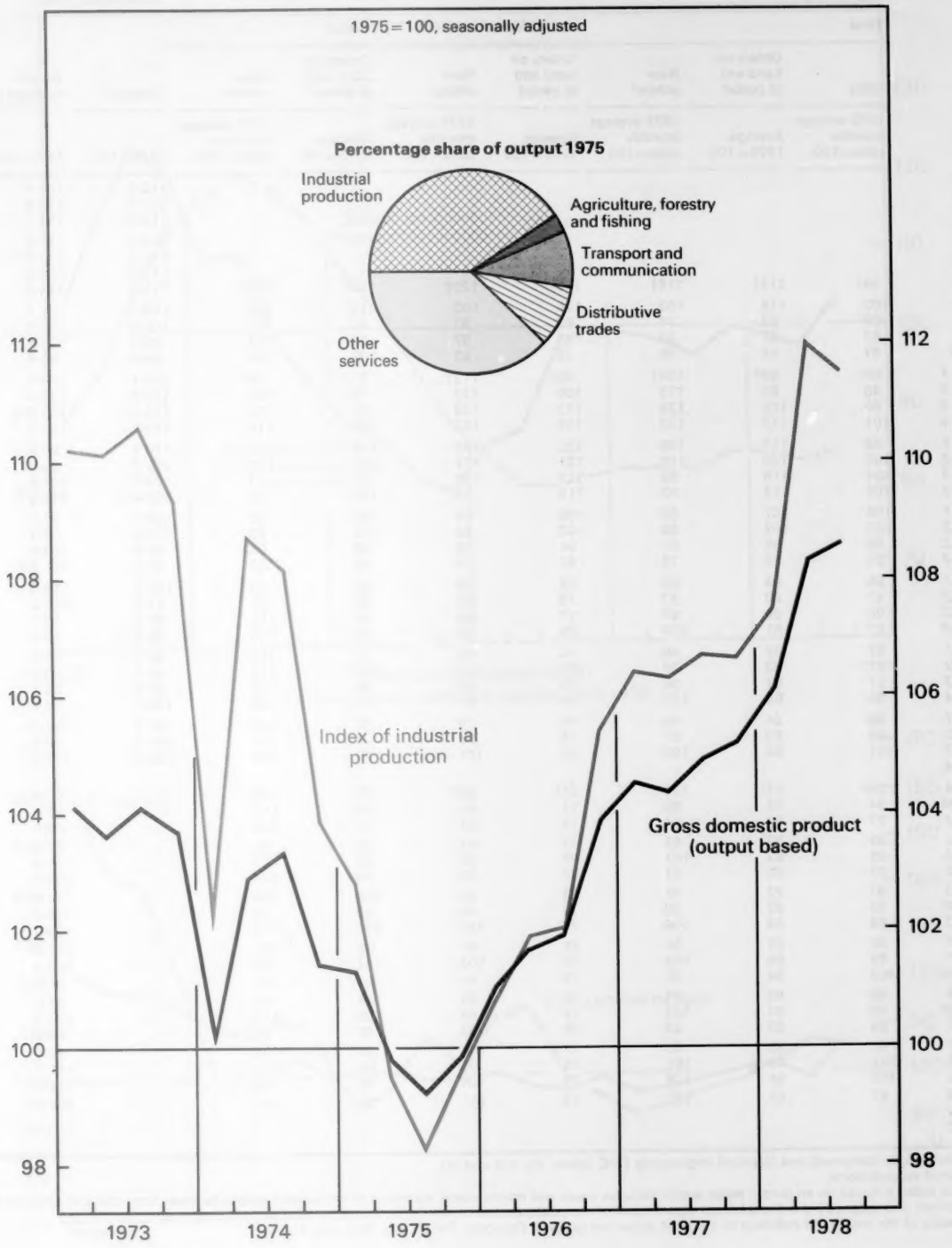
Index numbers of output

	Seasonally adjusted					
	1975=100					
	Gross domestic product (based on output data)[1,2] §	Agriculture, forestry and fishing	Industrial production[1] §	Transport and communication	Distributive trades	Other services
1975 weights	*1,000*	*28*	*407*	*88*	*101*	*376*
1968	90·1	93	97·3	81	90	85
1969	91·9	92	99·9	84	91	85
1970	93·4	98	100·1	87	93	88
1971	94·8	103	99·8	90	94	90
1972	97·8	106	101·8	94	99	93
1973	103·8	109	110·1†	101	106	97
1974	101·9	110	105·7	101	103	97
1975	100·0	100	100·0	100	100	100
1976	102·2†	93†	102·5	99	101	103
1977	104·7	111	106·5	102	99	104
1973 *3*	104·1	109	110·6†	102	106	97
4	103·7	109†	109·3	102	106	97
1974 *1*	100·1	110	102·0	100	103	97
2	102·9	111	108·7	102	102	97
3	103·3	110	108·2	102	104	98
4	101·4†	103	103·9	101	103	98
1975 *1*	101·3	103	102·8	101	103	99
2	99·8	101	99·5	100	101	100
3	99·2	99	98·2	100	98	100
4	99·8	97	99·5	98	98	101
1976 *1*	101·0	93	100·8	98	101	103
2	101·7	89	101·9	98	101	104†
3	101·9	90	102·0	99†	102	103
4	103·9	97	105·4	101	101	104
1977 *1*	104·5	106	106·4	102	100	104
2	104·3	111	106·3	101	98	104
3	104·9	114	106·7	102	100	104
4	105·2	114	106·6	102	100	105
1978 *1*	106·1	115	107·4	104	102	106
2	108·3	116	112·0	105	103	106
3	108·6	117	111·5	107	106	106
4						
	Percentage change, quarter on corresponding quarter of previous year					
1976 *1*	*−0·2†*	*− 9·7†*	*− 1·9†*	*− 3·1†*	*−2·0*	*+3·6*
2	*+2·0*	*−11·4*	*+ 2·5*	*− 1·7*	*+0·1*	*+3·8*
3	*+2·8*	*− 8·5*	*+ 3·9*	*− 1·1*	*+3·8*	*+3·1*
4	*+4·2*	*+ 0·4*	*+ 5·9*	*+ 2·6*	*+3·1*	*+3·2*
1977 *1*	*+3·4*	*+14·0*	*+ 5·5*	*+ 4·2*	*−0·9*	*+1·4*
2	*+2·5*	*+23·8*	*+ 4·3*	*+ 2·2*	*−3·2*	*+0·8*
3	*+2·9*	*+26·3*	*+ 4·6*	*+ 2·3*	*−1·8*	*+1·0*
4	*+1·2*	*+17·2*	*+ 1·2*	*+ 1·1*	*−1·2*	*+0·8*
1978 *1*	*+1·5*	*+ 8·7*	*+ 0·9*	*+ 1·7*	*+1·9*	*+1·5*
2	*+3·9*	*+ 4·9*	*+ 5·4*	*+ 4·7*	*+5·4*	*+1·6†*
3	*+3·5*	*+ 2·5*	*+ 4·5*	*+ 5·0*	*+5·7*	*+2·0*
4						

[1] As from 1970 the figures are adjusted to allow for the use of delivery rather than production indicators to represent output in certain industries within manufacturing. An analysis of industrial production is given on page 26, but will differ from the series shown here because the adjustment included is not available monthly. There may also be differences because page 26 includes the latest information.

[2] Total output other than exploration for, and extraction of, petroleum and natural gas (MLH 104) is as follows:

1976	*1*	100·8	1977 *1*	103·1†	1978 *1*	104·1
	2	101·3†	*2*	102·6	*2*	106·0†
	3	101·4	*3*	103·2	*3*	106·2
	4	103·0	*4*	103·4		

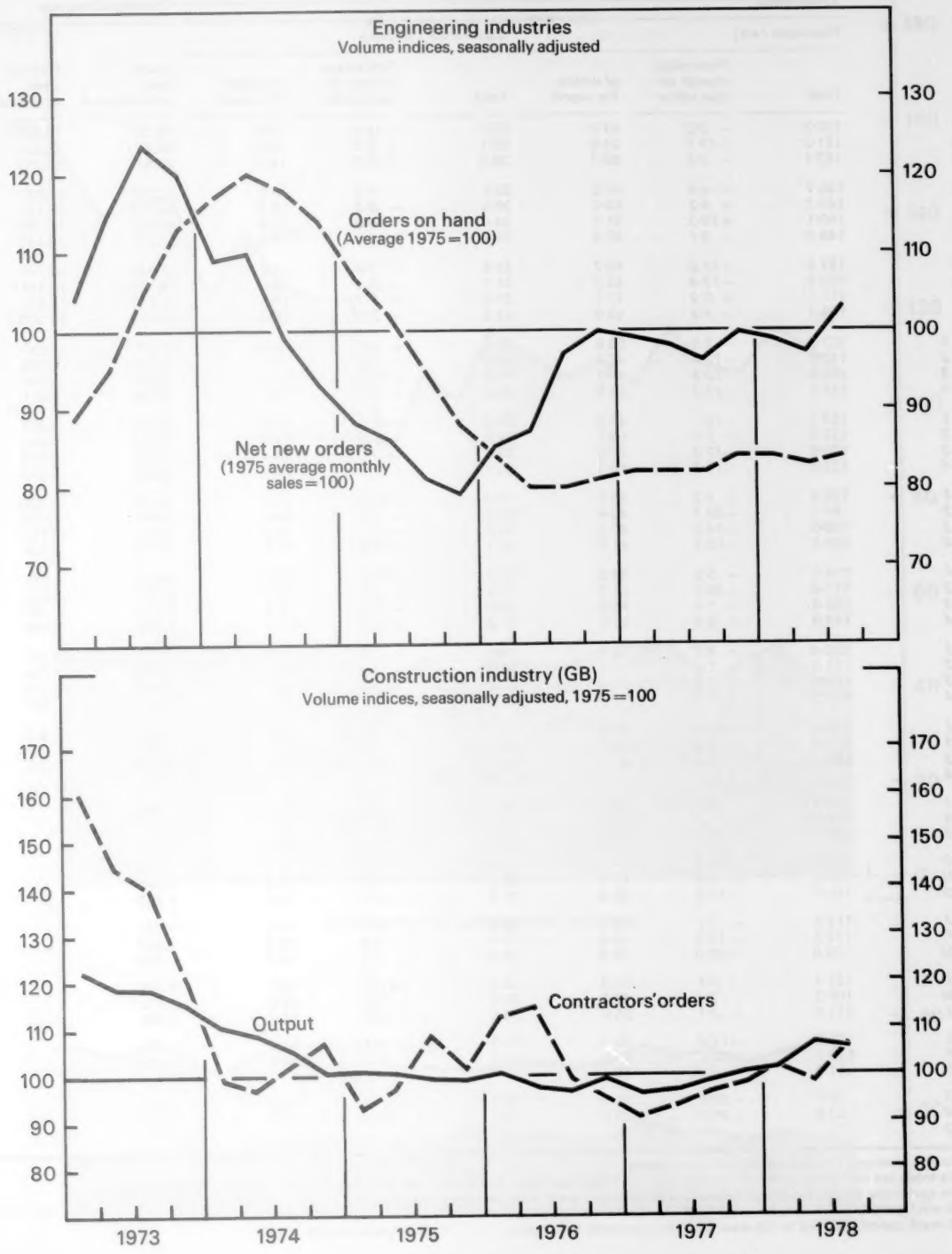

1975 = 100, seasonally adjusted
Percentage share of output 1975
Industrial production
Agriculture, forestry and fishing
Transport and communication
Distributive trades
Other services
112
110
108
106
104
102
100
98
Index of industrial production
Gross domestic product (output based)
1973
1974
1975
1976
1977
1978

Engineering and construction: output and orders

Seasonally adjusted volume index numbers

	Engineering industries[1]							Construction (GB)	
	Total			Home market		Export			
	Sales	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Output[3, 4]	Orders received
	1975 average monthly sales=100	Average 1975=100	1975 average monthly sales=100	Average 1975=100	1975 average monthly sales=100	Average 1975=100	1975 average monthly sales=100	1975=100	1975=100
1967	..	..	..	..	..	..	..	115·3	154·4
1968	..	..	..	..	..	..	..	117·9	142·4
1969	..	..	..	..	..	..	..	118·6	133·7
1970	..	..	..	..	..	..	..	115·2	131·1
1971	..	..	..	..	..	..	..	116·2	139·2
1972	..	..	..	..	..	..	..	116·9	146·3
1973	98†	113†	116†	119†	120†	100†	106†	118·6	141·4
1974	102	114	103	115	102	112	106	106·3	101·1
1975	100	88	84	87	83	90	84	100·0	100·0
1976	97	81	92	75	87	94	104	98·5	105·5
1977[5]	97	84	98	75	93	100	109	98·0	94·6
1973 *1*	96†	89†	104†	98†	113†.	71†	85†	122·1	160·7
2	98	95	115	104	120	79	104	118·8	144·4
3	99	105	124	113	126	90	119	118·3	139·9
4	101	113	120	119	123	100	115	115·2	120·4
1974 *1*	98	117	109	120	103	111	122	110·4	98·9
2	102	120	110	121	107	117	115	108·7	96·7
3	104	118	99	119	102	115	93	105·7	101·8
4	104	114	93	115	94	112	92	100·4	106·8
1975 *1*	105	107	88	108	89	106	85	100·7	92·5
2	100	102	86	102	85	102	88	100·4	97·1
3	98	95	81	94	80	96	84	99·6	108·8
4	96	88	79	87	79	90	80	99·3	101·6
1976 *1*	96	84	85	83	82	86	90	100·3	112·6
2	97	80	87	79	86	82	89	97·6	114·5
3	96	80	97	77	90	87	114	96·3	99·7
4	97	81	100	75	90	94	123	99·9	95·2
1977[5] *1*	97	82	99	74	94	97	109	96·1	91·0
2	97	82	98	73	90	100	115	96·5	93·3
3	97	82	96	73	92	99	106	98·5	96·1
4	96	84	100	75	97	100	106	100·7	98·1
1978[5] *1*	99	84	99	76	96	99	106	101·5	102·2†
2	98	83	97	75	95	98	101	107·1	99·0
3	101	84	103	76	101	99	109	105·8[5]	107·0[5]
4									
1977[5] *A*	98†	82†	101†	74†	93†	98†	120†	..	90·5
M	94	83	98	74	90	100	116	..	89·6
J	97	82	94	73	87	100	109	..	99·9
J	99	82	93	73	93	98	92	..	87·8
A	95	83	103	74	96	99	117	..	91·8
S	97	82	93	73	86	99	108	..	108·5
O	97	82	99	73	94	100	109	..	84·6
N	93	82	95	74	95	98	93	..	100·0
D	98	84	106	75	102	100	115	..	109·7
1978[5] *J*	96	83	94	75	91	99	101	..	101·8†
F	98	85	109	76	102	102	126	..	106·1
M	102	84	95	76	96	99	91	..	98·6
A	96	83	94	76	93	99	95	..	94·6
M	99	84	103	76	98	99	113	..	103·9
J	99	83	93	75	93	98	93	..	98·5
J	98	83	99	77	104	96	89	..	95·0
A	101	83	101	76	95	96	115	..	111·7
S	103	84	109	76	104	99	122	..	114·4[5]
O	97	85	103	78	101	98	108		106·9[5]
N									
D									

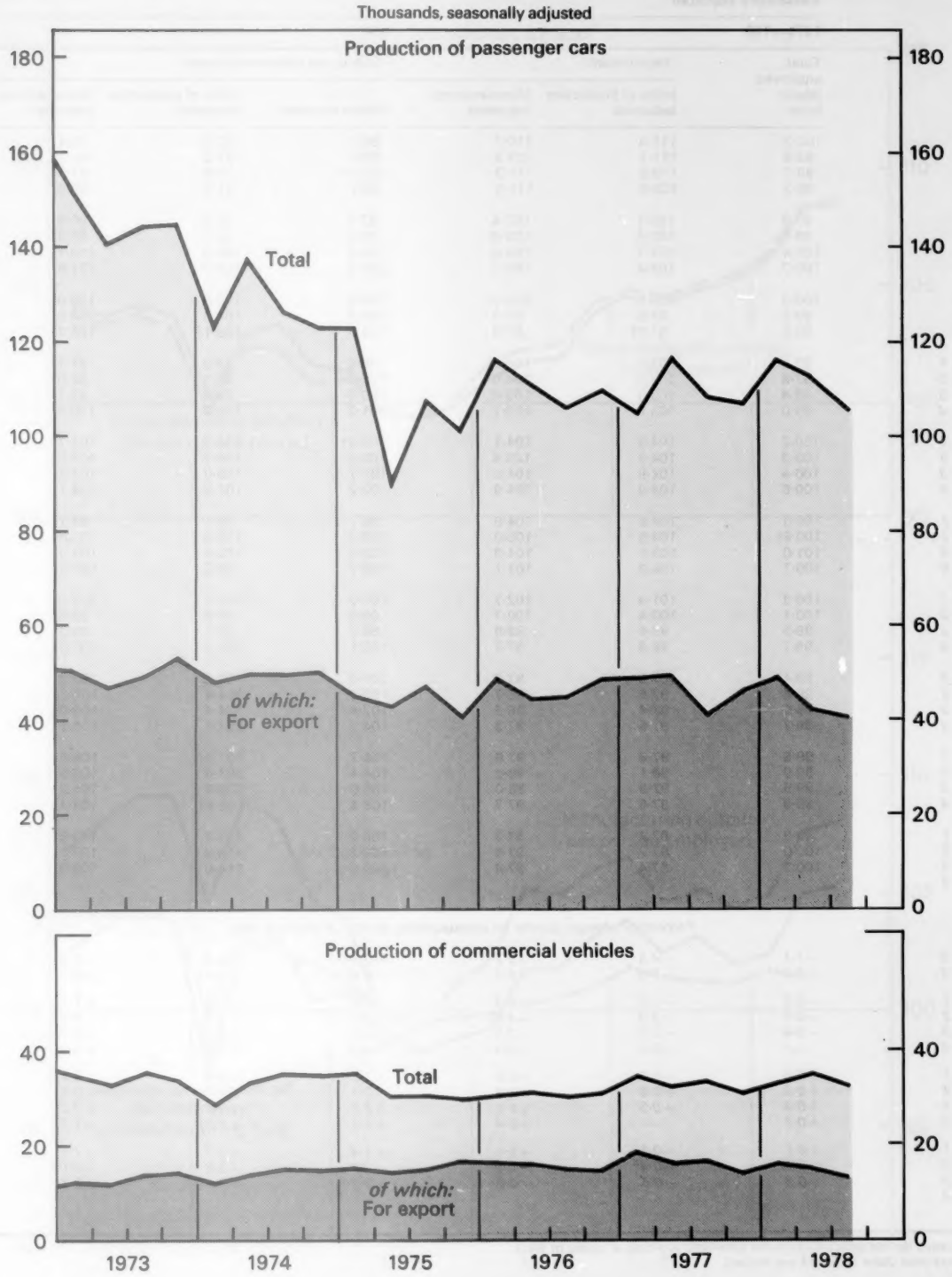
[1] Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).
[2] Net of cancellations.
[3] This index is based on an output series which includes repair and maintenance estimates of unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
[4] Details of the method of deflation to constant prices are given in *Economic Trends*, No. 297, July 1978.
[5] Provisional.


Engineering industries
Volume indices, seasonally adjusted
130
120
110
100
90
80
70
Orders on hand
(Average 1975=100)
Net new orders
(1975 average monthly
sales=100)
Construction industry (GB)
Volume indices, seasonally adjusted, 1975=100
170
160
150
140
130
120
110
100
90
80
Output
Contractors' orders
1973
1974
1975
1976
1977
1978

Motor vehicle production and steel production and consumption

	Seasonally adjusted							
	Thousands[1]						Thousand tonnes	
	Passenger cars§			Commercial vehicles§				
	Total	*Percentage change on year earlier*	*of which:* For export	Total	*Percentage change on year earlier*	*of which:* For export	Crude steel production[2,3]	Finished steel consumption
1967	129·3	*− 3·2*	47·0	32·1	*−12·2*	11·6	24,257	15,840
1968	151·3	*+17·1*	66·9	34·1	*+ 6·3*	12·5	26,255	16,835
1969	143·1	*− 5·5*	68·7	38·8	*+13·8*	16·1	26,822	17,782
1970	136·7	*− 4·4*	60·2	38·1	*− 1·8*	15·8	27,792[4]	17,637[4]
1971	145·2	*+ 6·2*	59·5	38·0	*− 0·3*	15·7	24,153	16,722
1972	160·1	*+10·3*	51·1	34·0	*−10·6*	11·3	25,293	16,750
1973	145·6	*− 9·1*	50·4	34·7	*+ 2·1*	13·3	26,594	18,445
1974	127·8	*−12·2*	49·7	33·5	*− 3·4*	14·2	22,323	17,548
1975	105·6	*−17·4*	44·3	31·7	*− 5·4*	15·5	19,789[4]	15,446[4]
1976	111·1	*+ 5·2*	47·1	31·0	*− 2·3*	15·8	22,274	15,804
1977	109·7	*− 1·3*	46·9	33·2	*+ 7·0*	16·4	20,411	15,300
1973 *1*	152·2	*− 1·5*	50·8	35·4	*+ 9·9*	12·5	6,671	4,667
2	140·5	*−12·4*	47·7	33·6	*− 1·2*	12·1	6,415	4,368
3	144·6	*−10·3*	49·7	35·9	*+11·0*	14·1	6,954	4,599
4	145·1	*−11·7*	53·5	34·0	*− 9·4*	14·4	6,649	4,811
1974 *1*	123·2	*−19·1*	48·2	29·2	*−17·5*	12·3	5,218	4,357
2	137·9	*− 1·9*	50·0	33·9	*+ 0·9*	14·0	5,784	4,560
3	126·8	*−12·4*	50·0	35·8	*− 0·1*	15·6	5,763	4,252
4	123·5	*−14·9*	50·5	35·3	*+ 3·7*	14·9	5,599	4,379
1975 *1*	123·4	*+ 0·2*	45·5	35·6	*+22·2*	15·8	6,102	4,267
2	90·1	*−34·7*	43·4	30·6	*− 9·9*	14·7	4,661	3,695
3	108·0	*−14·8*	47·5	30·6	*−14·7*	15·2	4,231[5]	3,715[5]
4	101·1	*−18·1*	41·0	30·1	*−14·6*	16·5	4,719	3,769
1976 *1*	116·6	*− 5·5*	49·3	30·7	*−13·9*	16·3	5,480	4,076
2	111·4	*+23·6*	44·7	31·6	*+ 3·3*	16·1	5,731	3,887
3	106·4	*− 1·5*	45·3	30·5	*− 0·2*	15·6	5,375	3,785
4	110·0	*+ 8·9*	49·0	31·2	*+ 3·7*	15·2	5,650	4,056
1977 *1*	105·4	*− 9·7*	49·3	34·7	*+13·2*	18·6	5,417	3,744
2	116·9	*+ 5·0*	49·9	32·4	*+ 2·5*	16·3	4,908	3,758
3	108·8	*+ 2·3*	41·9	33·9	*+11·0*	16·5	5,419	3,974
4	107·5	*− 2·3*	46·5	31·8	*+ 1·7*	14·3	4,641	3,824
1978 *1*	116·8	*+10·8*	49·2	33·7	*− 3·1*	16·1	4,957	4,202
2	112·9	*− 3·5*	42·2	35·4	*+ 9·2*	15·4	5,306	3,949
3	106·2	*− 2·4*	41·2	32·7	*− 3·5*	13·8	4,757	3,930
4								
1977 *J*	105·3	*−19·5*	40·7	33·4	*+ 1·8*	16·6	1,703	..
A	101·6	*+20·2*	35·7	34·3	*+25·7*	16·7	1,996[6]	..
S	119·6	*+15·0*	49·4	33·9	*+ 7·9*	16·1	1,720	..
O	103·0	*−10·5*	47·6	33·3	*+ 5·3*	15·2	1,506	..
N	103·9	*− 8·5*	46·0	29·9	*−11·0*	12·8	1,846[6]	..
D	115·7	*+14·0*	45·9	32·1	*+12·7*	15·0	1,289	..
1978 *J*	112·2	*− 7·1*	46·9	33·5	*− 8·7*	16·3	1,340	..
F	112·4	*+13·9*	43·9	31·1	*− 6·9*	15·2	1,523	..
M	125·9	*+30·0*	56·8	36·4	*+ 6·5*	16·9	2,094[6]	..
A	121·4	*− 0·1*	50·6	36·3	*+12·8*	16·7	1,684	..
M	106·2	*−12·6*	40·1	35·4	*− 1·4*	15·2	1,976[6]	..
J	111·0	*+ 3·1*	35·9	34·5	*+18·3*	14·4	1,646	..
J	91·8	*−12·8*	35·4	34·2	*+ 2·4*	14·3	1,701	..
A	115·1	*+13·3*	48·8	31·1	*− 9·3*	14·0	1,442[6]	..
S	111·8	*− 6·6*	39·4	32·7	*− 3·5*	13·0	1,614	..
O	79·7	*−22·6*	36·8	25·7	*−22·6*	10·7	1,616	..
N	53·6	*−48·4*	26·5	23·7	*−20·8*	10·9	2,078	..
D								..

[1] Monthly averages or standardised calendar months.
[2] The totals are for 'useable steel' in accordance with the system used by the EEC and the International Iron and Steel Institute.
[3] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[4] 53-week period; reduced to 52-week basis for comparison purposes.
[5] 14-week period; reduced to 13-week basis for comparison purposes.
[6] Five-week periods.


Thousands, seasonally adjusted
Production of passenger cars
180
160
140
120
100
80
60
40
20
0
Total
of which:
For export
Production of commercial vehicles
40
20
0
Total
of which:
For export
1973
1974
1975
1976
1977
1978

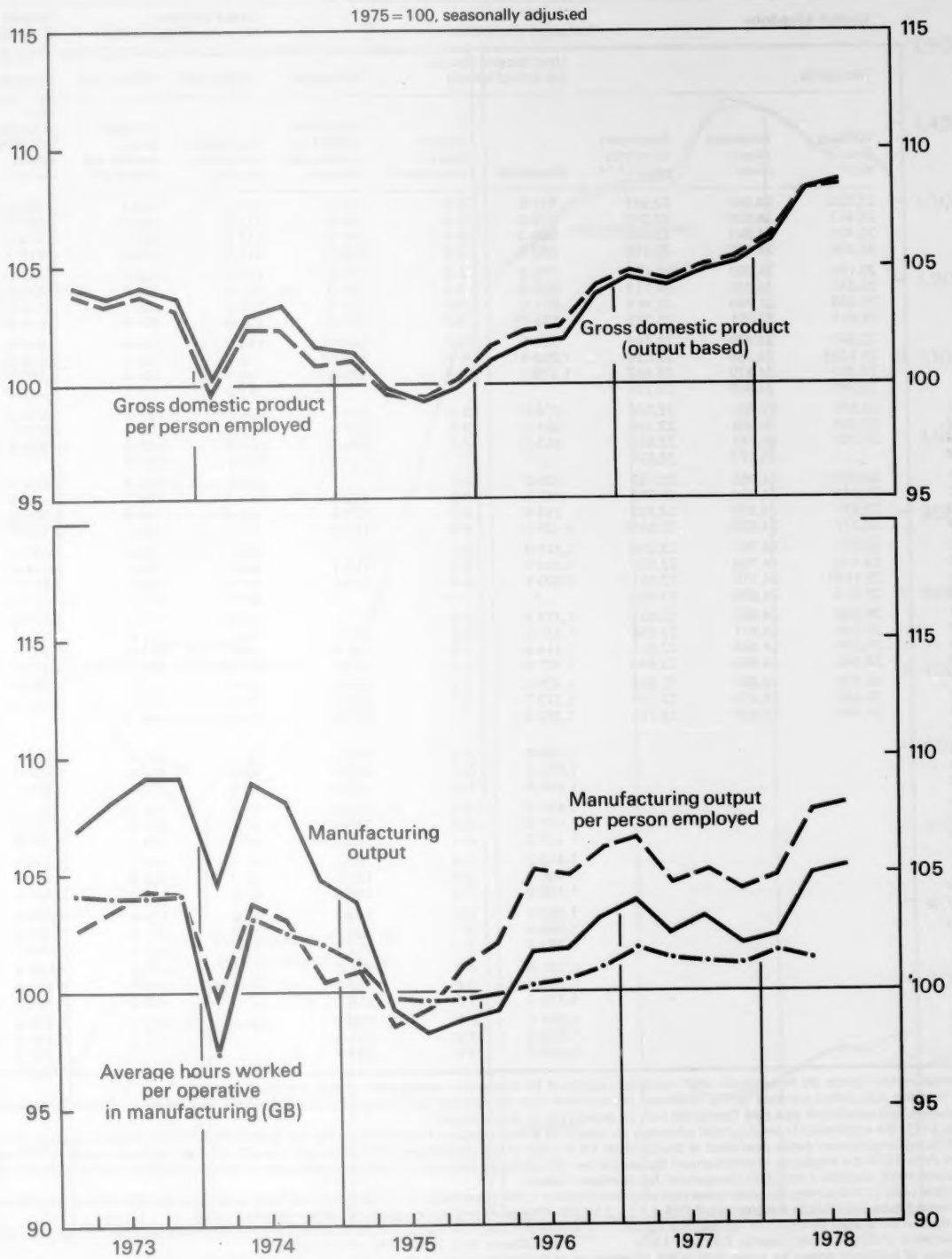
Output per person employed

Seasonally adjusted

1975=100

	Total employed labour force	Employment		Output per person employed[1]		
		Index of production industries	Manufacturing industries	Whole economy	Index of production industries	Manufacturing industries
1967	100·2	111·4	110·7	86·2	82·0	79·4
1968	99·8	111·1	109·9	90·3	87·4	85·7
1969	99·7	110·8	111·3	92·2†	90·0	87·7
1970	99·3	109·3	111·0	94·1	91·4	88·3
1971	97·6	106·1	107·4	97·1	94·2	90·8
1972	98·3	103·4	103·9	99·5	98·7	96·3
1973	100·4	104·7	104·5	103·4	104·6	103·7
1974	100·7	104·4	104·7	101·2	100·7	101·8
1975	100·0	100·0	100·0	100·0	100·0	100·0
1976	99·5	97·6	97·0	102·7	104·5	104·6
1977	99·8	97·9†	97·8	104·9	108·1†	105·2
1972 *1*	97·9	103·5	104·4	96·5	93·2	91·1
2	97·9	103·4	104·0	100·0	99·4	96·0
3	98·4	103·3	103·8	100·0	99·9	97·1
4	99·0	103·6	103·7	101·3	102·5	100·9
1973 *1*	100·2	104·3	104·1	103·8†	104·7	102·7
2	100·3	104·7	104·4	103·3	104·7	103·5
3	100·4	104·8	104·6	103·7	105·0	104·4
4	100·5	104·9	104·9	103·2	104·0	104·1
1974 *1*	100·3	104·6	104·8	99·7	98·1	99·7
2	100·6†	104·5	105·0	102·3	103·0	103·8
3	101·0	104·1	104·9	102·3	102·6	103·0
4	100·7	104·2	104·1	100·7	99·2	100·5
1975 *1*	100·3	101·9	102·7	101·0	100·7	101·0
2	100·1	100·4	100·7	99·6	99·2	98·5
3	99·9	99·4	98·9	99·3	99·1	99·3
4	99·7	98·4	97·7	100·1	101·1	101·2
1976 *1*	99·4	97·9	97·0	101·6	102·2	102·2
2	99·4	97·5	96·7	102·3	104·4	105·2
3	99·5	97·4	96·9	102·4	104·4	105·0
4	99·7	97·6	97·3	104·3	107·1	106·1
1977 *1*	99·8	97·8	97·6	104·7	107·9†	106·5
2	99·9	98·1	98·0	104·4	107·6	104·6†
3	99·9	97·9	98·0	105·0	108·5	105·2
4	99·8	97·6	97·7	105·4	108·4†	104·4
1978 *1*	99·9	97·7	97·7	106·2	109·7	104·9
2	100·0	97·7	97·6	108·3	113·8	107·7
3	100·1	97·4	97·4	108·5	114·0	108·0
4						
	Percentage change, quarter on corresponding quarter of previous year					
1975 *3*	*−1·1*	*−4·5*	*−5·7*	*−2·9†*	*−3·4*	*−3·6*
4	*−1·0*	*−5·6*	*−6·1*	*−0·6*	*+1·9†*	*+0·7*
1976 *1*	*−0·9*	*−3·9*	*−5·6*	*+0·6*	*+1·5*	*+1·2*
2	*−0·7*	*−2·9*	*−4·0*	*+2·7*	*+5·2*	*+6·8*
3	*−0·4*	*−2·0*	*−2·0*	*+3·1*	*+5·3*	*+5·7*
4	—	*−0·8*	*−0·4*	*+4·2*	*+5·9*	*+4·8*
1977 *1*	*+0·4*	*−0·1*	*+0·6*	*+3·1*	*+5·6*	*+4·2*
2	*+0·5*	*+0·6*	*+1·3*	*+2·1*	*+3·1*	*−0·6†*
3	*+0·4*	*+0·5*	*+1·1*	*+2·5*	*+3·9*	*+0·2*
4	*+0·1*	—	*+0·4*	*+1·1*	*+1·2†*	*−1·6*
1978 *1*	*+0·1*	*−0·1*	*+0·1*	*+1·4*	*+1·7*	*−1·5*
2	*+0·1*	*−0·4†*	*−0·4*	*+3·7*	*+5·8*	*+3·0*
3	*+0·2*	*−0·5*	*−0·6*	*+3·3*	*+5·1*	*+2·7*
4						

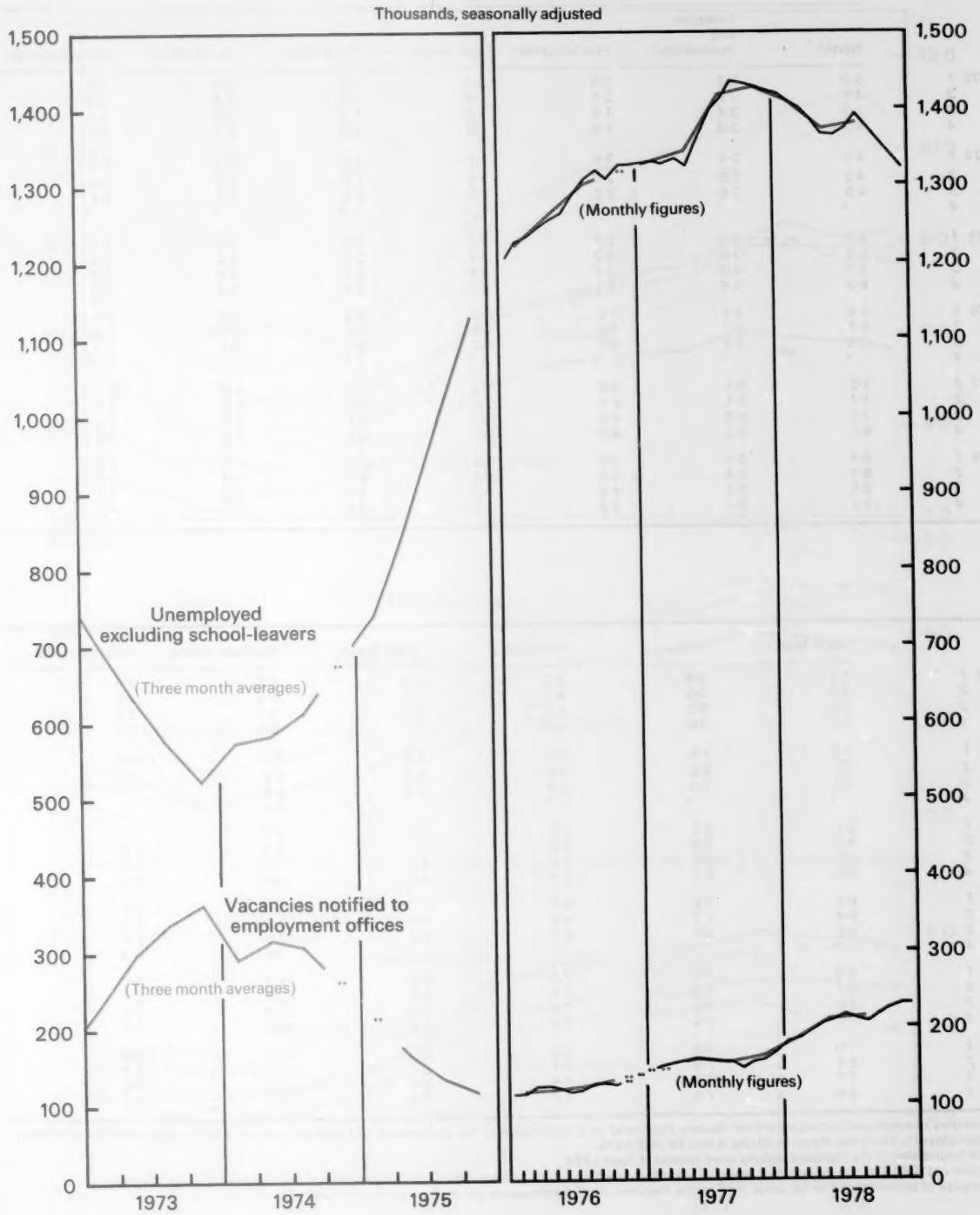
[1] The ratios do not take into account part-time working or hours of work.
[2] Figures after June 1976 are provisional.


1975 = 100, seasonally adjusted
115
110
105
100
95
Gross domestic product
per person employed
Gross domestic product
(output based)
Manufacturing
output
Manufacturing output
per person employed
Average hours worked
per operative
in manufacturing (GB)
90
1973
1974
1975
1976
1977
1978

National employment and unemployment[1]

	Seasonally adjusted								Unadjusted
	United Kingdom						Great Britain Manufacturing industry		United Kingdom
	Thousands			Unemployed excluding school leavers		Thousands	1975=100	1975=100	Thousands
	Working population[2]	Employed labour force[2]	Employees in employment[2,3,10]	Thousands	Percentage of employees[4]	Vacancies notified to employment offices§	Employees in employment[2,3]	Average hours worked per operative[8]	Total unemployed including school leavers
1967	25,526	24,980	22,801	547·2	2·3	175·1	111·0	104·7	556·7
1968	25,412	24,826	22,640	574·4	2·4	189·5	110·0	105·6	583·3
1969	25,406	24,841	22,608	566·3	2·4	202·0	111·5	105·7	576·2
1970	25,336	24,732	22,458	602·0	2·6	188·3	111·3	104·6	612·2
1971	25,166	24,390	22,113	775·8	3·4	130·9	107·5	102·7	792·1
1972	25,243	24,384	22,114	854·9	3·7	147·3	103·8	102·2	875·6
1973	25,599	24,969	22,661	611·0	2·6	307·0	104·5	104·1	618·8
1974	25,655	25,061	22,791	599·7[5]	2·6[5]	301·6[5]	105·0	101·2	614·9[5]
1975	25,843	24,930	22,708	929·1	3·9	148·1[5]	100·0	100·0	977·6
1976	26,130†	24,759	22,536†	1,269·9[5]	5·3[5]	120·0[6]	96·7	100·4	1,358·8[5]
1977	26,359	24,870	22,658	1,378·1	5·8	155·6[5]	98·1	101·4	1,483·6
1978	26,389	24,902	22,706				97·5		1,475·0
1974 *1*	25,580	24,984	22,704	574·5	2·5	292·6	104·7	97·3	624·9
2	25,655	25,061	22,791	581·6	2·5	317·9	105·0	103·1	570·2
3	25,752	25,141	22,879	613·0	2·6	308·2	104·8	102·5	628·3
4	..[7]	25,077	22,829	..[7]	..[7]	..[7]	103·8	102·0	..[7]
1975 *1*	25,761†	24,965	22,732	735·2	3·1	..[7]	102·2	101·2	788·7
2	25,843	24,930	22,708	858·5	3·6	163·0	100·0	99·7	853·8
3	25,971	24,879	22,653	994·6	4·2	133·8	98·4[8]	99·6	1,095·5
4	26,032	24,824†	22,599†	1,128·2	4·8	115·5	97·4	99·7	1,172·3
1976 *1*	26,051	24,757	22,534	1,219·9	5·1	114·7	96·7	99·9	1,297·5
2	26,130	24,758	22,536	1,260·7	5·3	118·1	96·7	100·2	1,294·9
3	26,164[8]	24,775	22,551[8]	1,300·1	5·4	125·0	97·0	100·5	1,473·7
4	26,213	24,829	22,609	..[9]	..[9]	..[7]	97·3	101·0	..[9]
1977 *1*	26,250	24,848	22,632	1,329·5	5·6	..[7]	97·8	101·9	1,417·8
2	26,359	24,871	22,658	1,340·6	5·6	157·7	98·1	101·4	1,394·7
3	26,399	24 865	22,651	1,414·6	5·9	151·9	98·0	101·2	1,622·4
4	26,346	24,850	22,640	1,427·8	6·0	160·1	97·7	101·1	1,499·4
1978 *1*	26,376	24,887	22,680	1,409·4	5·9	187·7	97·7	101·7	1,506·1
2	26.389	24,910	22,706	1,372·7	5·7	210·3	97·5	101·4	1,428·2
3	26,369	24,930	22,724	1,380·6		213·0	97·2	101·2	
4									
1977 *J*	..	..	..	1,398·5	5·9	155·2	98·2	101·3	1,622·4
A	..	..	..	1,410·3	5·9	153·4	98·0	101·5	1,635·8
S	..	..	..	1,434·9	6·0	147·2	98·0	100·9	1,609·1
O				1,431·5	6·0	156·0	97·8	101·2	1,518·3
N	..	..	..	1,429·6	6·0	159·4	97·7	101·0	1,499·1
D	..	..	..	1,422·3	6·0	165·0	97·7	101·2	1,480·8
1978 *J*	..	..	..	1,419·2	5·9	180·3	97·7	101·7	1,548·5
F	..	..	..	1,409·0	5·9	187·0	97·7	101·6	1,508·7
M	..	..	..	1,400·0	5·9	195·8	97·7	102·0	1,461·0
A	..	..	..	1,387·1	5·8	203·7	97·6	101·6	1,451·8
M	..	..	..	1,366·4	5·7	209·9	97·6	101·6	1,386·8
J	..	..	..	1,364·7	5·7	217·4	97·5	101·1	1,446·1
J	..	..	..	1,371·4	5·7	211·0	97·6	101·3	1,585·8
A	..	..	..	1,392·1	5·8	209·3	97·4	101·0	1,608·3
S	..	..	..	1,378·3	5·8	218·7	97·2	101·3	1,517·7
O	..	..	..	1,359·6	5·7	228·4	97·0	101·2	1,429·5
N	..	..	..	1,338·8	5·6	231·3		101·2	1,392·0
D	..	..	..	1,320·7	5·5	231·2			1,364·3

[1] Unemployment figures do not include adult students registered for temporary employment during a current vacation.
[2] The working population consists of the employed labour force and the unemployed (including school-leavers); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment.
[3] From 1971, the employees in employment estimates are based on annual census of employment. For the years before 1971 estimates are taken from the continuous employment series published in the October 1975 issue of the *Department of Employment Gazette*. Annual estimates relate to mid-year. From June 1976 the employee in employment figures for the UK which are provisional until the publication of the results of the Census of Employment for June 1977, include a constant component for Northern Ireland.
[4] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed): the latest figure available is that for mid-1976.
[5] The figures shown are averages of eleven months figures.
[6] The figures shown are averages of ten months figures.
[7] Figure not available due to industrial action. For further details see note to page 129 of the *Department of Employment Gazette*, February 1975.
[8] Estimates after June 1976 are provisional.
[9] Because of industrial action by some staff in the Department of Employment group, figures for these months are not available
[10] The figures for employees in employment in the United Kingdom do not include recent small revisions to the Northern Ireland figures.


Thousands, seasonally adjusted
1,500
1,400
1,300
1,200
1,100
1,000
900
800
700
600
500
400
300
200
100
0
Unemployed excluding school-leavers
(Three month averages)
Vacancies notified to employment offices
(Three month averages)
(Monthly figures)
(Monthly figures)
1973
1974
1975
1976
1977
1978

Regional unemployment rates[1]

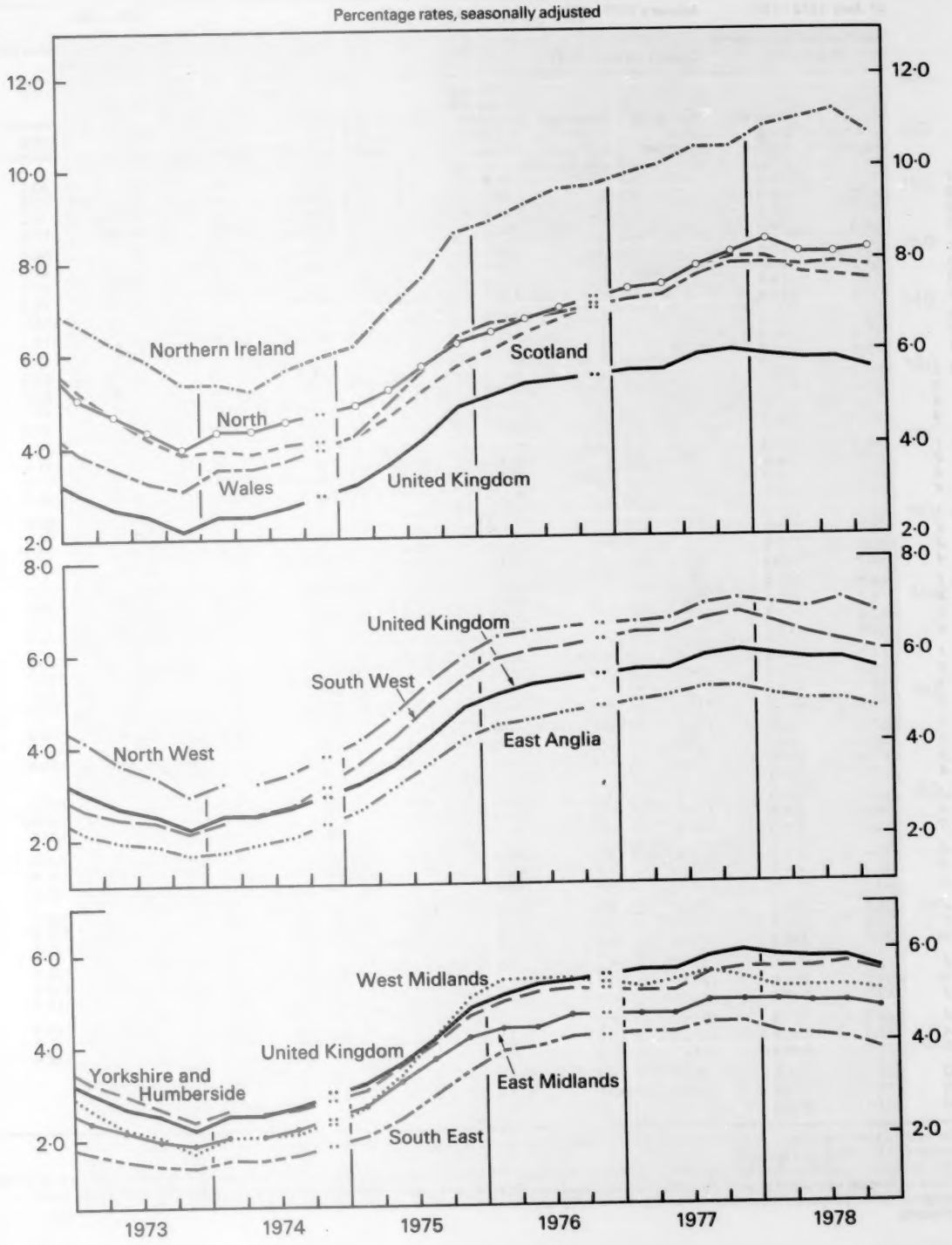
Seasonally adjusted

Per cent

	North[2]	Yorkshire and Humberside[2]	East Midlands[2]	East Anglia	South East[2]	South West[2]	West Midlands
1973 *1*	5·0	3·2	2·3	2·1	1·7	2·6	2·6
2	4·7	2·9	2·1	1·9	1·5	2·4	2·2
3	4·3	2·6	1·9	1·8	1·4	2·3	2·0
4	3·9	2·3	1·8	1·6	1·3	2·1	1·7
1974 *1*	4·3	2·6	2·0	1·7	1·5	2·3	2·0
2	4·3	2·5	2·0	1·8	1·5	2·5	2·0
3	4·5	2·6	2·2	2·0	1·6	2·7	2·1
4	..[3]	..[3]	..[3]	..[3]	..[3]	..[3]	..[3]
1975 *1*	4·8	3·0	2·7	2·6	2·0	3·6	2·7
2	5·2	3·5	3·2	3·1	2·4	4·2	3·5
3	5·7	4·0	3·7	3·6	2·9	4·8	4·2
4	6·2	4·6	4·1	4·1	3·4	5·4	5·0
1976 *1*	6·4	4·9	4·3	4·4	3·8	5·8	5·4
2	6·7	5·1	4·3	4·5	3·9	6·0	5·4
3	6·9	5·2	4·6	4·7	4·1	6·1	5·4
4	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]
1977 *1*	7·3	5·1	4·6	4·9	4·2	6·4	5·2
2	7·4	5·1	4·6	5·0	4·2	6·4	5·3
3	7·8	5·5	4·9	5·2	4·4	6·7	5·5
4	8·1	5·6	4·9	5·2	4·4	6·8	5·4
1978 *1*	8·4	5·6	4·9	5·0	4·2	6·6	5·2
2	8·1	5·6	4·8	4·9	4·1	6·3	5·2
3	8·1	5·7	4·8	4·9	4·0	6·2	5·2
4	8·2	5·5	4·7	4·7	3·8	6·0	5·1

	North West[2]	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1973 *1*	4·1	3·8	5·2	3·0	6·6	3·0
2	3·6	3·5	4·7	2·7	6·2	2·7
3	3·3	3·2	4·2	2·4	5·7	2·5
4	2·9	3·0	3·8	2·2	5·3	2·3
1974 *1*	3·2	3·5	3·9	2·4	5·3	2·5
2	3·2	3·5	3·8	2·4	5·2	2·5
3	3·4	3·7	3·9	2·6	5·6	2·6
4	..[3]	..[3]	..[3]	..[3]	5·9	..[3]
1975 *1*	4·1	4·2	4·2	3·1	6·1	3·1
2	4·7	4·9	4·6	3·6	6·9	3·6
3	5·3	5·6	5·2	4·1	7·6	4·2
4	5·9	6·3	5·7	4·7	8·6	4·8
1976 *1*	6·3	6·6	6·0	5·0	8·8	5·1
2	6·4	6·7	6·4	5·2	9·2	5·3
3	6·5	6·8	6·7	5·4	9·5	5·4
4	..[4]	..[4]	..[4]	..[4]	9·6	..[4]
1977 *1*	6·6	7·1	7·3	5·5	9·8	5·6
2	6·7	7·2	7·4	5·5	10·0	5·6
3	7·0	7·6	7·8	5·8	10·4	5·9
4	7·1	7·9	8·0	5·9	10·4	6·0
1978 *1*	7·0	7·9	8·0	5·8	10·8	5·9
2	6·9	7·8	7·7	5·6	11·0	5·8
3	7·1	7·9	7·6	5·7	11·2	5·8
4	6·8	7·8	7·5	5·5	10·7	5·6

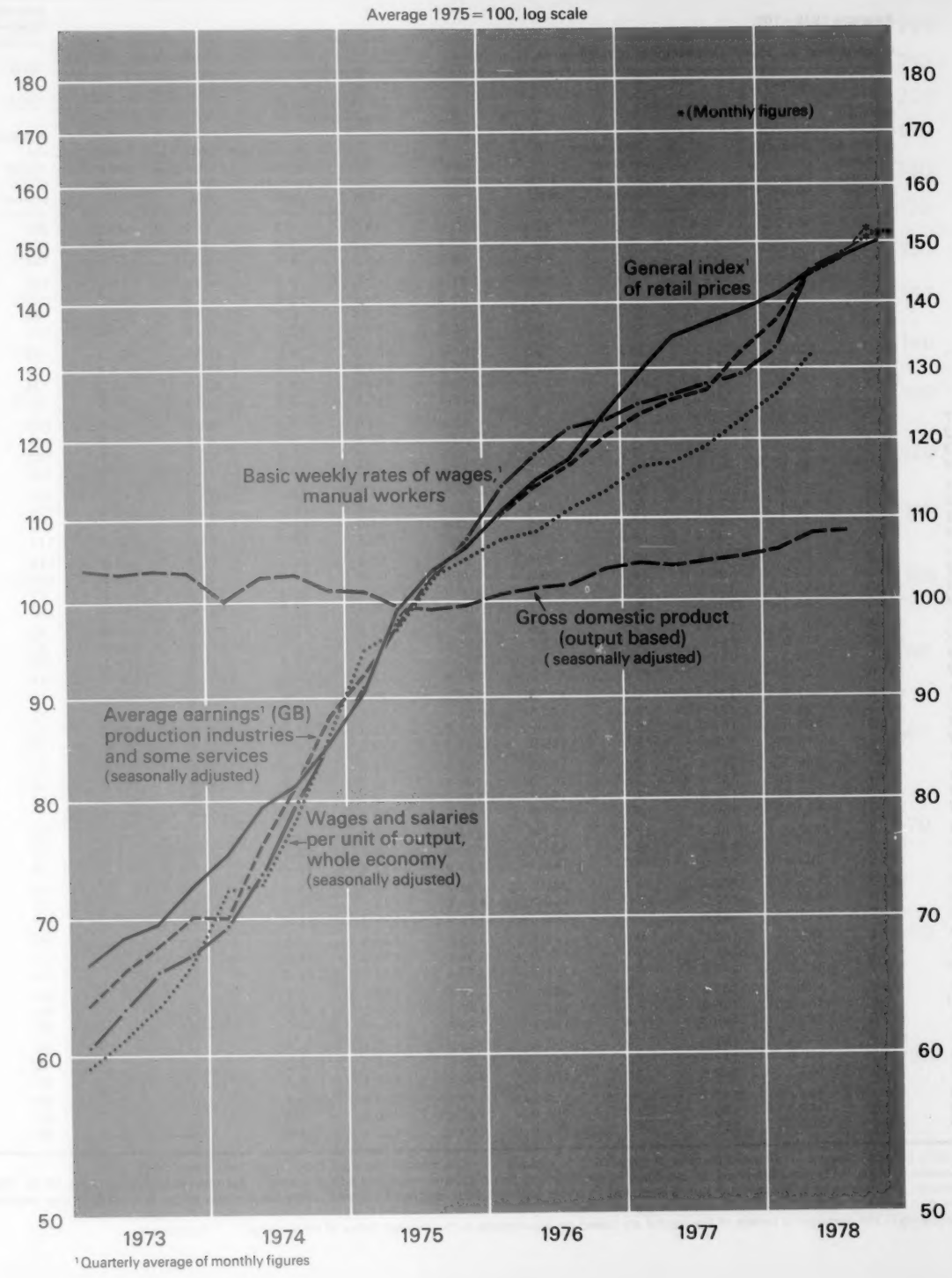
[1] Numbers unemployed excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed). The latest figure available is that for mid-1976.
[2] The boundaries of the standard regions were revised in April 1974.
[3] Figure not available due to industrial action. For further details see note on page 129 of the *Department of Employment Gazette*, February 1975.
[4] Because of industrial action by some staff in the Department of Employment group, figures are not available.


Percentage rates, seasonally adjusted
12·0
10·0
8·0
6·0
4·0
2·0
Northern Ireland
North
Wales
Scotland
United Kingdom
United Kingdom
South West
North West
East Anglia
West Midlands
United Kingdom
Yorkshire and Humberside
East Midlands
South East
1973
1974
1975
1976
1977
1978

Wage rates and earnings

	Unadjusted				Seasonally adjusted					
	31 July 1972 =100[1]		January 1976 =100		January 1970 =100				1975 =100	
	Basic weekly wage rates (manual workers)		Average earnings (GB)						Wages and salaries per unit of output	
	All industries and services	Manufacturing industry	New series: whole economy	*Percentage increase on year earlier*	Older series: production industries and some services	*Percentage increase on year earlier*	Manufacturing industry	*Percentage increase on year earlier*	Whole economy	Manufacturing industry
1967	63·9	63·6	..	..	81·8	*3·6*	81·1	*3·6*	42·4	42·4
1968	68·1	68·4	..	..	88·2	*7·8*	87·8	*8·2*	43·3	42·5
1969	71·7	72·1	..	..	95·2	*7·8*	94·9	*8·1*	44·7	45·2
1970	78·8	79·4	..	..	106·7	*12·1*	107·0	*12·7*	49·0	50·8
1971	89·0	89·3	..	..	118·7	*11·3*	118·9	*11·2*	53·6	55·6
1972	101·3	101·5	..	..	134·0[2]	..[3]	134·2[2]	..[3]	58·2	57·9
1973	115·2	114·6	..	..	152·1	..[3]	151·5	..[3]	62·8†	61·2
1974	138·0	134·3	..	..	179·1	*17·8*	177·5	*17·2*	77·3	75·6
1975	178·7	174·4	..	..	226·6	*26·5*	223·8	*26·1*	100·0	100·0
1976	213·2	209·0	106·0	..	261·9	*15·6*	260·8	*16·5*	110·2	113·7
1977	227·3	218·9	115·6	*9·1*	288·5	*10·2*	287·6	*10·3*	118·8	125·3
1973 *1*	108·7	108·1	..	..	144·4	..[3]	143·7	..[3]	59·5†	58·5
2	113·4	111·7	..	..	150·2	*14·9*	149·6	*13·8*	61·4	60·2
3	118·1	117·8	..	..	154·5	*14·5*	153·6	*13·2*	63·6	61·7
4	120·6	120·7	..	..	159·2	*12·5*	159·1	*13·3*	66·6	64·5
1974 *1*	124·3	122·7	..	..	159·1[4]	*10·2*[4]	157·4[4]	*9·5*[4]	71·4	67·3
2	131·7	128·0	..	..	172·5	*14·9*	171·2	*14·5*	73·1	71·6
3	143·2	139·4	..	..	185·1	*19·9*	184·0	*19·7*	78·6	77·9
4	152·7	147·1	..	..	199·6	*25·4*	197·5	*24·2*	86·2	85·9
1975 *1*	162·7	155·1	..	..	209·5	*31·6*	207·4	*31·8*	95·1	91·3
2	175·3	171·9	..	..	220·2	*27·6*	216·8	*26·6*	96·9	98·3
3	184·3	180·5	..	..	234·0	*26·4*	230·7	*25·4*	103·0	103·7†
4	192·6	190·1	..	..	242·7	*21·6*	240·6	*21·8*	105·1	107·0
1976 *1*	204·2	201·5	101·0	..	250·8	*19·7*	249·1	*20·1*	107·7	110·6
2	211·5	209·0	105·2	..	258·7	*17·5*	258·3	*19·2*	108·5	112·1
3	217·8	212·5	107·9	..	265·4	*13·4*	264·5	*14·7*	111·3	115·2
4	219·3	213·1	110·1	..	272·6	*12·3*	271·3	*12·8*	113·5	117·0
1977 *1*	223·3	215·7	111·8	*10·7*	280·0	*11·7*	278·5	*11·8*	116·0	120·3
2	225·9	217·9	114·5	*8·8*	285·3	*10·3*	284·2	*10·0*	116·7	124·0
3	228·7	220·2	116·4	*7·9*	288·3	*8·7*	287·3	*8·6*	120·1	125·6
4	231·2	221·7	119·9	*8·9*	300·4	*10·2*	300·3	*10·7*	122·5	131·4
1978 *1*	237·6	225·8	123·1	*10·1*	310·8	*11·0*	311·5	*11·8*	126·4	136·0
2	260·4	263·6	129·9	*13·5*	328·2	*15·3*	328·4	*15·5*	130·5	139·3
3	265·6	267·3	133·2	*14·4*	334·6	*16·1*	333·3	*16·0*	132·0	141·6
4	270·8	275·3								
1977 *J*	228·2	219·3	117·0	*8·5*	286·3	*8·9*	285·4	*9·0*	..	125·3
A	228·8	220·4	115·7	*7·3*	287·7	*8·0*	286·5	*8·1*	..	124·9†
S	229·0	220·9	116·6	*7·7*	291·0	*9·1*	290·0	*8·9*	..	126·5
O	229·4	221·1	117·9	*8·7*	295·3	*9·6*	294·6	*9·5*	..	129·0
N	231·2	222·0	120·1	*8·6*	300·5	*10·3*	300·7	*11·4*	..	131·6
D	232·9	222·0	121·7	*9·4*	304·8	*10·6*	305·6	*11·2*	..	133·5
1978 *J*	236·5	225·4	121·5	*9·5*	306·3	*10·2*	307·9	*11·4*	..	134·9
F	237·8	225·7	122·7	*10·5*	311·2	*11·5*	311·6	*12·1*	..	135·8
M	238·6	226·3	125·0	*10·4*	314·8	*11·2*	315·0	*12·0*	..	137·2
A	258·4	261·8	127·2	*12·4*	325·7	*14·8*	327·4	*15·7*	..	138·4
M	259·7	263·5	129·4	*12·6*	327·2	*14·5*	325·9	*14·5*	..	139·4
J	263·3	265·4	133·1	*15·4*	334·0	*16·6*	331·8	*16·4*	..	140·1
J	264·7	265·6	133·6	*14·2*	332·7	*16·2*	331·5	*16·1*	..	140·0
A	266·0	268·1	131·7	*13·9*	333·2	*15·8*	331·7	*15·8*	..	141·3
S	266·0	268·3†	134·2	*15·0*	338·0	*16·2*	336·6	*16·1*	..	143·4
O	270·1†	275·3	135·2	*14·7*	344·8	*16·6*	343·3	*16·6*	..	
N	271·1	275·3	136·0	*13·2*	343·5	*14·3*	341·1	*13·4*	..	
D	271·1	275·3							..	

[1] Prior to July 1972 the series was based on 31 January 1956 =100. Figures before July 1972 have therefore been linked.
[2] Average of 11 months. See footnote[3].
[3] In the absence of earnings data for February 1972 due to the effects of the coalmining dispute, no index of wages and salaries per unit of output or index of average earnings has been calculated for that month. The indices calculated for January and March 1972 are less reliable than usual.
[4] The figures reflect temporary reductions in earnings while three-day working and other restrictions were in operation.
[5] Provisional.



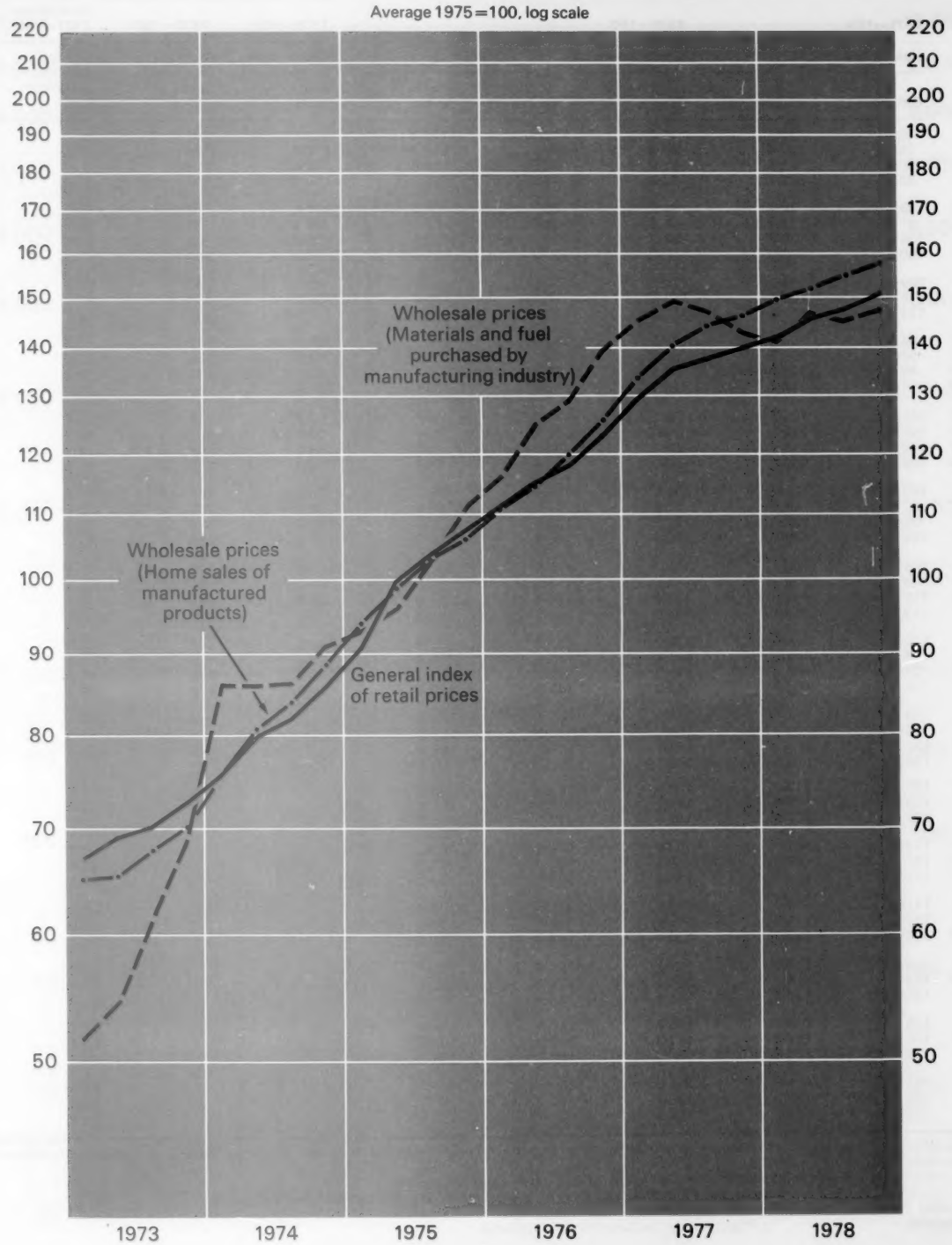
[1] Quarterly average of monthly figures

Prices

Unadjusted

	Average 1975=100										Average 1975=100p
	Wholesale prices index		General index of retail prices						Pensioner price index[1]		
	Materials and fuel purchased by manufacturing industry[2]	Output All manufactured products Home sales[3]	All items Index	All items *Percentage increase on year earlier*	Total food	Total non-food	All items other than seasonal food Index	All items other than seasonal food *Percentage increase on year earlier*	One person household	Two person household	Purchasing power of the pound[4]
1968	37·2	48·7	48·4	*4·7*	42·6	50·5	48·9	*4·8*	46·8	46·9	207
1969	38·7	50·5	51·0	*5·4*	45·3	53·1	51·5	*5·2*	49·2	49·5	196
1970	40·7	54·1	54·2	*6·4*	48·5	56·3	54·8	*6·5*	52·7	52·8	184
1971	42·5	59·0	59·3	*9·4*	53·9	61·4	60·0	*9·5*	58·0	58·0	169
1972	44·4	62·1	63·6	*7·1*	58·6	65·3	64·1	*6·9*	62·4	62·3	157
1973	58·8	66·7	69·4	*9·2*	67·5	70·1	69·4	*8·3*	68·4	68·7	144
1974	86·8	81·8	80·5	*16·1*	79·6	80·8	80·5	*16·0*	79·5	79·8	124
1975	100·0	100·0	100·0	*24·2*	100·0	100·0	100·0	*24·2*	100·0	100·0	100
1976	127·0	117·3	116·5	*16·5*	120·0	115·6	115·8	*15·8*	119·1	118·8	86
1977	145·6	140·5	135·0	*15·8*	142·8	132·8	134·3	*16·0*	139·1	138·7	74
1978			146·2	*8·2*	152·9	144·3	146·5	*9·0*	150·4	149·8	
1973 *1*	51·3	64·7	66·7	*8·0*	63·6	67·8	67·0	*7·3*	65·9	65·9	150
2	54·2	65·0	68·8	*9·3*	66·6	69·6	68·6	*8·1*	67·9	68·2	145
3	61·3	67·2	69·9	*9·2*	67·8	70·6	70·0	*8·5*	68·6	68·9	143
4	68·2	69·9	72·3	*10·3*	71·8	72·4	72·2	*9·2*	71·5	71·7	138
1974 *1*	85·5	75·2	75·2	*12·9*	75·7	75·1	75·2	*12·3*	74·9	75·1	133
2	85·3	80·5	79·7	*15·9*	78·4	80·1	79·6	*16·0*	77·9	78·6	125
3	85·6	83·7	81·7	*17·0*	79·8	82·4	81·9	*17·0*	80·4	80·8	122
4	90·6	88·0	85·4	*18·2*	84·5	85·7	85·5	*18·5*	84·6	84·8	117
1975 *1*	92·2	93·7	90·5	*20·3*	91·4	90·2	90·7	*20·7*	89·9	89·9	110
2	95·5	98·5	99·1	*24·3*	99·8	98·8	99·0	*24·4*	99·5	99·6	101
3	101·8	102·1	103·4	*26·5*	102·5	103·7	103·4	*26·3*	103·1	103·3	97
4	110·5	105·7	107·0	*25·3*	106·1	107·3	106·9	*25·0*	107·4	107·3	93
1976 *1*	115·4	110·3	110·9	*22·5*	113·6	110·1	110·1	*21·3*	112·8	112·6	90
2	124·6	114·5	114·9	*16·0*	117·7	114·1	113·9	*15·1*	117·3	116·9	87
3	128·9	119·2	117·6	*13·7*	119·1	117·1	117·3	*13·4*	119·6	119·2	85
4	138·9	125·2	123·0	*15·0*	129·6	121·0	122·0	*14·0*	126·9	126·4	81
1977 *1*	144·8	133·0	129·2	*16·5*	138·6	126·4	127·7	*16·1*	132·6	132·9	77
2	148·8	139·6	134·9	*17·4*	143·3	132·5	133·6	*17·3*	138·4	138·4	74
3	146·5	143·8	137·0	*16·5*	144·1	135·0	136·8	*16·7*	141·6	140·7	73
4	142·2	145·8	139·0	*13·0*	145·0	137·3	139·3	*14·2*	143·9	142·9	72
1978 *1*	140·2	149·2	141·4	*9·5*	148·0	139·5	141·6	*10·8*†	146·3	145·5	71
2	146·3	151·8	145·3	*7·6*†	152·9	143·1	145·2	*8·6*	150·0	149·3	69
3	144·9	154·8	147·8	*7·9*	154·7	145·9	148·2	*8·3*	151·9	151·3	68
4	147·0[5]	157·3[5]	150·3	*8·1*	156·0	148·6	150·8	*8·3*	153·4	153·0	
1977 *J*	147·9	143·2	136·4	*17·6*	144·0	134·1	135·8	*17·0*	..	..	73
A	145·9	143·8	137·0	*16·5*	144·0	135·0	136·9	*16·7*	..	..	73
S	145·6	144·4	137·8	*15·6*	144·4	135·8	137·8	*16·4*	..	..	73
O	143·7	145·3	138·4	*14·1*	144·3	136·7	138·6	*15·0*	..	..	72
N	142·0	145·7	139·0	*13·0*	144·7	137·4	139·3	*14·2*	..	..	72
D	141·0	146·3	139·8	*12·1*	146·1	137·9	139·9	*13·3*	..	..	72
1978 *J*	139·4	148·3	140·6	*9·9*	147·1	138·7	140·8	*11·3*	..	..	71
F	139·1	149·2	141·4	*9·5*	148·0	139·5	141·7	*11·0*	..	..	71
M	142·0	150·0	142·3	*9·1*	148·8	140·4	142·4	*10·4*	..	..	70
A	145·1	150·9	144·4	*7·9*	151·2	142·4	144·3	*9·1*	..	..	69
M	146·8	151·9	145·2	*7·7*	152·4	143·1	145·2	*8·6*	..	..	69
J	147·0	152·7	146·3	*7·4*	155·1	143·8	146·0	*8·1*	..	..	68
J	145·8	153·8	147·0	*7·8*	154·6	144·8	147·1	*8·3*	..	..	68
A	144·2	154·8	147·9	*8·0*	154·7	146·0	148·3	*8·4*	..	..	68
S	144·8	155·7	148·5	*7·8*	154·8	146·8	149·1	*8·2*	..	..	67
O	145·7†	156·6	149·2	*7·8*	154·2	147·7	149·8	*8·1*	..	..	67
N	147·3[5]	157·1[5]	150·2	*8·1*	156·0	148·6	150·9	*8·3*	..	..	67
D	148·0[5]	158·3[5]	151·5	*8·4*	157·9	149·6	151·8	*8·5*	..	..	66

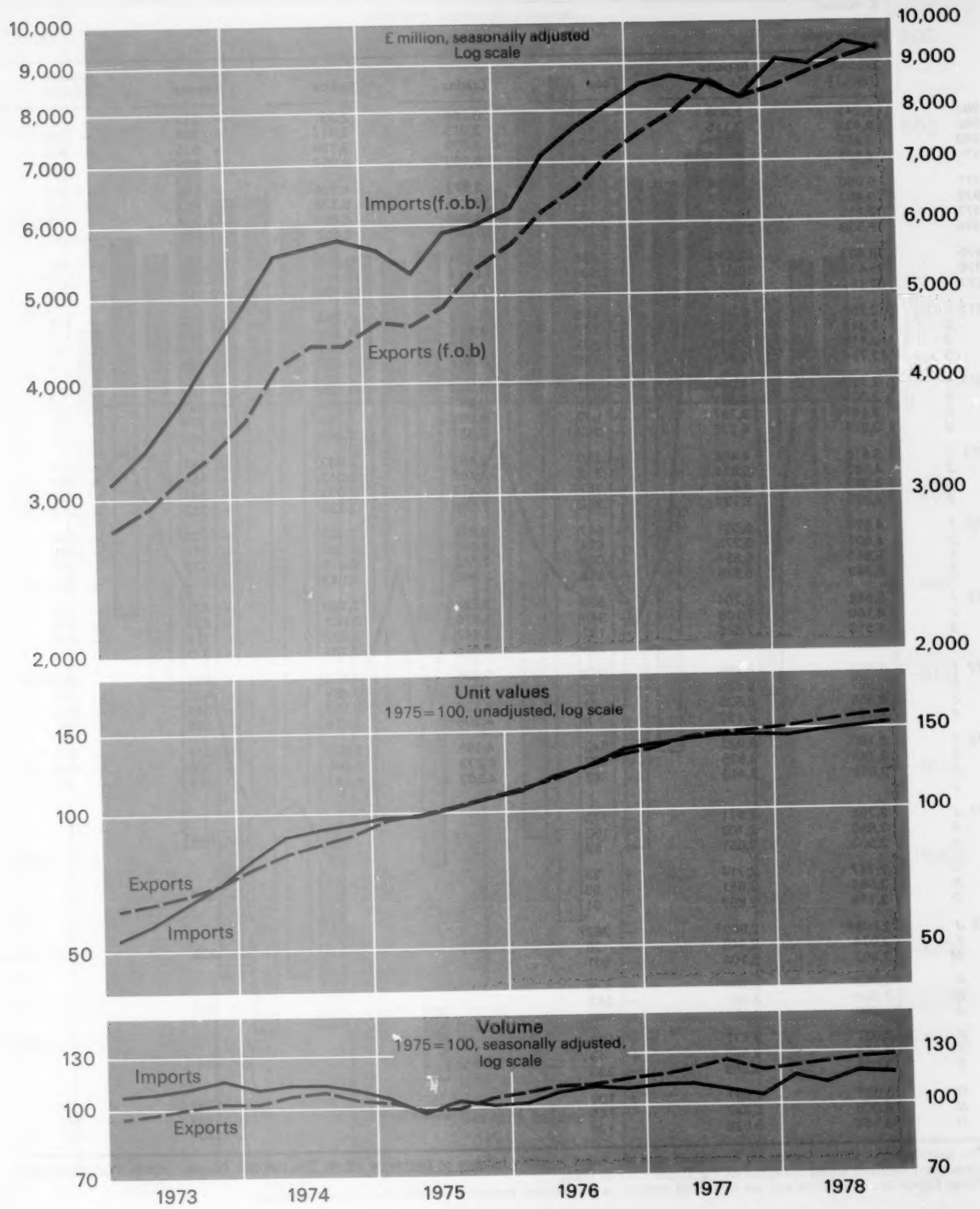
[1] All items except housing. [2] Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971.
[3] Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April 1973. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products index numbers from 2nd quarter 1973 onwards would have been higher by 1·7.
[4] Movements in the purchasing power of the pound are based on movements in the general index of retail prices. [5] Provisional.


Average 1975=100, log scale
220
210
200
190
180
170
160
150
140
130
120
110
100
90
80
70
60
50
Wholesale prices
(Materials and fuel
purchased by
manufacturing industry)
Wholesale prices
(Home sales of
manufactured
products)
General index
of retail prices
1973
1974
1975
1976
1977
1978

Visible trade

	Seasonally adjusted		Unadjusted					
	1975=100		1975=100			1975=100	1970=100	December 1971=100
	Volume indices[1]		Unit value indices[1]			Export price competitiveness index[3]	World commodity prices index[4]	Sterling effective exchange rate
	Exports	Imports	Exports	Imports	Terms of trade[2]			
1968	70·0	77·1	46·3	39·3	117·8	104·1	91	..
1969	76·9	77·8	47·8	40·5	118·2	103·4	96	..
1970	80·1	82·5	51·0	42·3	120·4	104·5	100	..
1971	85·4	85·7	53·9	44·3	121·7	106·7	105	..
1972	85·2	95·3	56·9	46·7	121·8	106·6	116	95·2
1973	97·8	108·7	64·0	59·6	107·4	97·6	168	86·3
1974	104·3	109·7	81·7	87·4	93·5	96·2	295	83·6
1975	100·0	100·0	100·0	100·0	100·0	100·0	300	77·2
1976	109·8	105·7	120·7	121·6	99·3	97·9†	385	65·4
1977	118·9	107·1	142·4	141·4	100·7	103·2	434	62·1
1978	123·3[5]	113·8[5]	155·2[5]	147·5[5]	105·2[5]		403[6]	..
1973 *1*	94·1	104·9	60·5	52·0	116·3	101·5	141	88·8
2	96·2	106·5	62·3	56·0	111·4	101·1	153	89·3
3	99·8	109·5	64·9	62·1	104·5	94·3	174	84·2
4	101·2	114·0	68·1	68·2	99·9	93·4	205	83·0
1974 *1*	101·0	108·2	74·1	78·3	94·6	95·0	298	83·1
2	106·2	111·3	80·3	87·8	91·4	96·6	287	84·7
3	107·6	110·7	84·1	90·4	93·1	96·5	292	84·2
4	102·4	108·5	88·2	92·9	94·9	96·7	303	82·6
1975 *1*	100·9	102·0	95·2	96·4	98·7	99·5	287	81·7
2	97·0	95·7	97·5	97·0	100·5	99·1	284	79·1
3	98·0	102·5	101·6	100·8	100·8	100·3	306	75·2
4	104·1	99·7	105·7	105·7	100·0	101·2	324	73·0
1976 *1*	106·2	100·2	110·7	109·8	100·8	103·4†	338	72·0
2	109·7	106·3	116·9	118·4	98·8	97·0	381	65·8
3	110·1	109·0	123·9	124·4	99·6	98·0	395	64·1
4	113·4	107·1	131·3	133·7	98·2	93·4	423	59·6
1977 *1*	115·8	109·4	135·7	137·2	98·9	99·0	440	61·8
2	118·0	109·6	141·4	141·0	100·3	102·5	450	61·6
3	124·4	106·6	145·2	143·7	101·0	103·8	432	61·8
4	117·6	102·7	147·3	143·8	102·4	107·5	412	63·3
1978 *1*	119·5	114·1	149·5	142·6	104·8	111·2	394	65·4
2	122·0	110·3	153·7	147·0	104·6	104·6[5]	417	61·5
3	125·3	116·1	157·1	149·2	105·3		398[5]	62·4
4	126·2[5]	115·1[5]	160·3[5]	151·1[5]	106·1[5]		402[6]	
1977 *J*	123·3	110·7	143·8	144·0	99·9	..	..	61·0
A	123·6	101·6	145·7	143·5	101·5	..	..	62·0
S	126·2	107·6	146·0	143·5	101·7	..	..	62·4
O	119·0	101·4	147·0	144·6	101·7	..	..	62·5
N	115·1	98·5	146·8	143·4	102·4	..	..	63·6
D	118·8	108·1	148·0	143·4	103·2	..	..	63·8
1978 *J*	111·2	114·4	149·5	141·8	105·4	..	..	66·0
F	127·0	111·1	149·0	142·6	104·5	..	..	66·0
M	120·4	116·7	150·1	143·4	104·7	..	..	64·1
A	125·6	104·4	151·5	145·6	104·1	..	..	61·8
M	119·0	114·7	154·7	146·9	105·3	..	..	61·5
J	121·4	111·8	154·9	148·6	104·2	..	..	61·3
J	126·3	116·1	155·7	148·9	104·6	..	..	62·1
A	124·4	111·3	157·3	148·8	105·7	..	..	62·4
S	125·1	120·8	158·3	150·0	105·5	..	..	62·7
O	127·4	111·9	158·8	150·8	105·3	..	..	62·5
N	124·6†	120·3	160·7	150·7	106·6	..	..	62·5
D	126·7[5]	113·0[5]	161·3[5]	151·7[5]	106·3[5]	..	..	63·2

[1] On a balance of payments basis. Changes have been made to the methodology of the index numbers. For further details see *Trade and Industry* of 8 September 1978.
[2] Unit value index for exports expressed as a percentage of unit value index for imports.
[3] The ratio of UK to weighted average export (dollar) prices for major competitors in respect of manufactured goods.
[4] Weighted average, in sterling terms, of United Nations Index numbers for primary commodities and non-ferrous metals.
[5] Provisional. [6] Projection by the Department of Industry.


£ million, seasonally adjusted
Log scale
Imports(f.o.b.)
Exports (f.o.b)
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
Unit values
1975=100, unadjusted, log scale
Exports
Imports
150
100
50
Volume
1975=100, seasonally adjusted, log scale
Imports
Exports
130
100
70
1973
1974
1975
1976
1977
1978

Balance of payments: current account

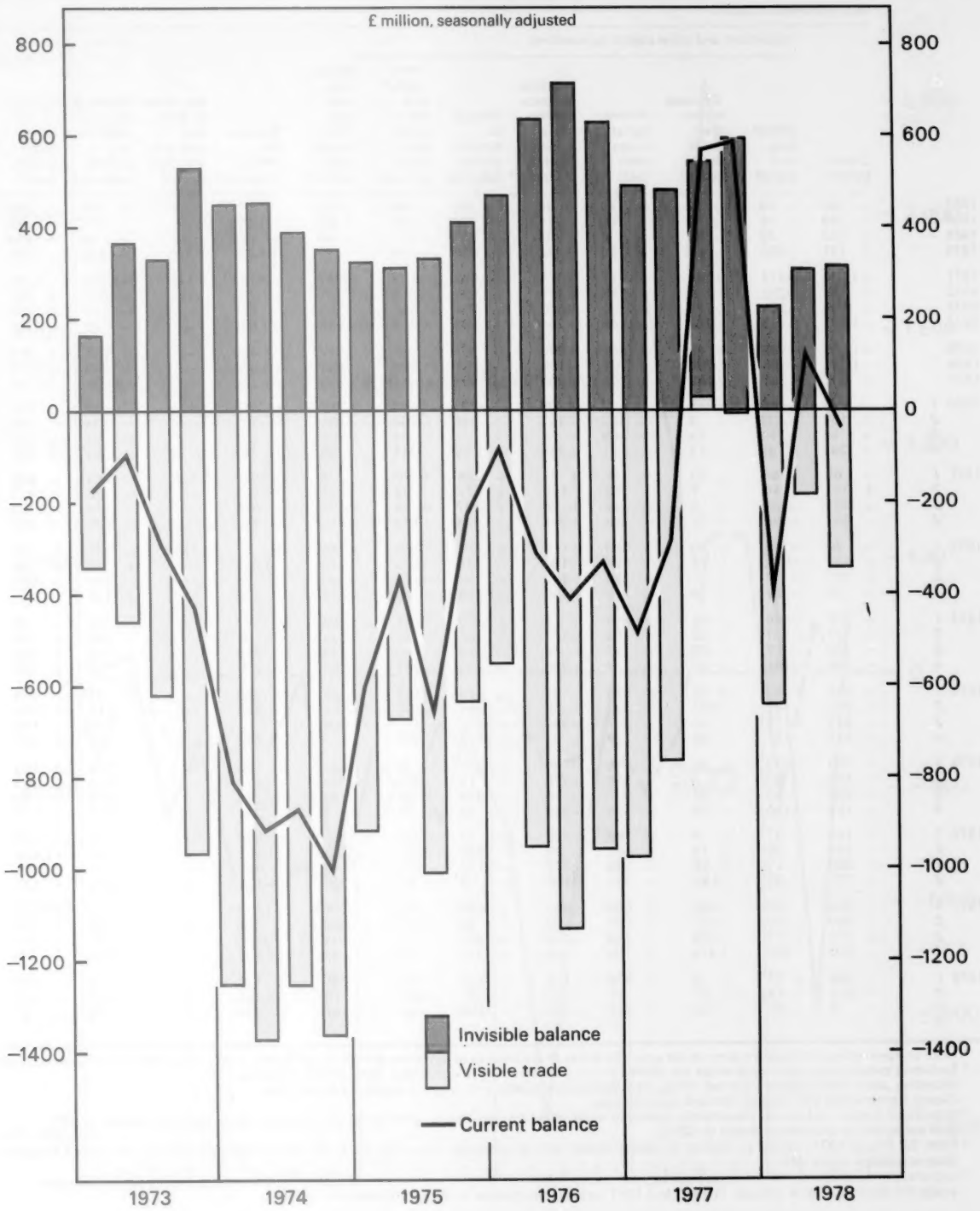
Seasonally adjusted

£ million

	Visible trade[1]			Invisibles			
	Exports (f.o.b.) §	Imports (f.o.b.) §	Total	Credits	Debits	Balance	Current balance
1967	5,241	5,808	− 567	3,264	2,991	+ 273	− 294
1968	6,433	7,115	− 682	3,813	3,417	+ 396	− 286
1969	7,269	7,441	− 172	4,339	3,704	+ 635	+ 463
1970	8,121	8,163	− 42	5,030	4,257	+ 773	+ 731
1971	9,060	8,799	+ 261	5,573	4,744	+ 829	+1,090
1972	9,450	10,172	− 722	6,135	5,278	+ 857	+ 135
1973	12,115	14,498	−2,383	8,240	6,856	+1,384	− 999
1974	16,538	21,773	−5,235	10,046	8,402	+1,644	−3,591
1975	19,463	22,699	−3,236	11,024	9,643	+1,381	−1,855
1976	25,424	29,013	−3,589	14,354	11,902	+2,452	−1,137
1977	32,182	33,891	−1,709	16,215	14,100	+2,115	+ 406
1972 *1*	2,258	2,361	− 103	1,476	1,254	+ 222	+ 119
2	2,343	2,470	− 127	1,517	1,270	+ 247	+ 120
3	2,115	2,418	− 303	1,555	1,351	+ 204	− 99
4	2,734	2,923	− 189	1,587	1,403	+ 184	− 5
1973 *1*	2,753	3,094	− 341	1,749	1,586	+ 163	− 178
2	2,901	3,361	− 460	2,047	1,684	+ 363	− 97
3	3,147	3,767	− 620	2,057	1,728	+ 329	− 291
4	3,314	4,276	− 962	2,387	1,858	+ 529	− 433
1974 *1*	3,618	4,868	−1,250	2,483	2,032	+ 451	− 799
2	4,152	5,524	−1,372	2,496	2,042	+ 454	− 918
3	4,393	5,644	−1,251	2,479	2,092	+ 387	− 864
4	4,375	5,737	−1,362	2,588	2,236	+ 352	−1,010
1975 *1*	4,674	5,591	− 917	2,628	2,305	+ 323	− 594
2	4,601	5,275	− 674	2,693	2,380	+ 313	− 361
3	4,845	5,854	−1,009	2,748	2,415	+ 333	− 676
4	5,343	5,979	− 636	2,955	2,543	+ 412	− 224
1976 *1*	5,654	6,204	− 550	3,221	2,750	+ 471	− 79
2	6,160	7,109	− 949	3,476	2,842	+ 634	− 315
3	6,513	7,645	−1,132	3,742	3,027	+ 715	− 417
4	7,097	8,055	− 958	3,915	3,283	+ 632	− 326
1977 *1*	7,512	8,485	− 973	3,935	3,442	+ 493	− 480
2	7,927	8 689	− 762	3,971	3,489	+ 482	− 280
3	8,556	8.525	+ 31	4,103	3,559	+ 544	+ 575
4	8,187	8.192	− 5	4,206	3,610	+ 596	+ 591
1978 *1*	8,380	9,022	− 642	4,158	3,929	+ 229	− 413
2	8,743	8,925	− 182	4,273	3,965	+ 308	+ 126
3	9,071	9,413	− 342	4,503	4,187	+ 316	− 26
4							
1977 *J*	2,798	2,971	− 173	..	..		..
A	2,855	2,703	+ 152	..	..	+ 544†	..
S	2,903	2,851	+ 52	..	..		..
O	2,747	2;714	+ 33	..	..		..
N	2,664	2,611	+ 53	..	..	+ 596	..
D	2,776	2,867	− 91	..	..		..
1978 *J*	2,598†	2,960†	− 362†	..	..		..
F	2,974	2,946	+ 28	..	..	+ 229	..
M	2,803	3,104	− 301	..	..		..
A	2,982	2,806	+ 176	..	..		..
M	2,848	3,091	− 243	..	..	+ 308	..
J	2,909	3,017	− 108	..	..		..
J	3,027	3,177	− 150	..	..		..
A	3,004	2,955	+ 49	..	..	+ 316	..
S	3,036	3,269	− 233	..	..		..
O	3,097	2,997	+ 100	..	..	+ 120[2]	+ 220†
N	3,056	3,242	− 186	..	..	+ 120[2]	− 66
D	3,154	3,028	+ 126	..	..	+ 120[2]	+ 246

[1] The quarterly and annual figures are consistent with the latest quarterly balance of payments article. The monthly figures, which may incorporate subsequent revisions are as published by the Department of Trade.

[2] These figures are projections and are subject to revision as the relevant statistical information becomes available.


£ million, seasonally adjusted
800
600
400
200
0
−200
−400
−600
−800
−1000
−1200
−1400
Invisible balance
Visible trade
Current balance
1973
1974
1975
1976
1977
1978

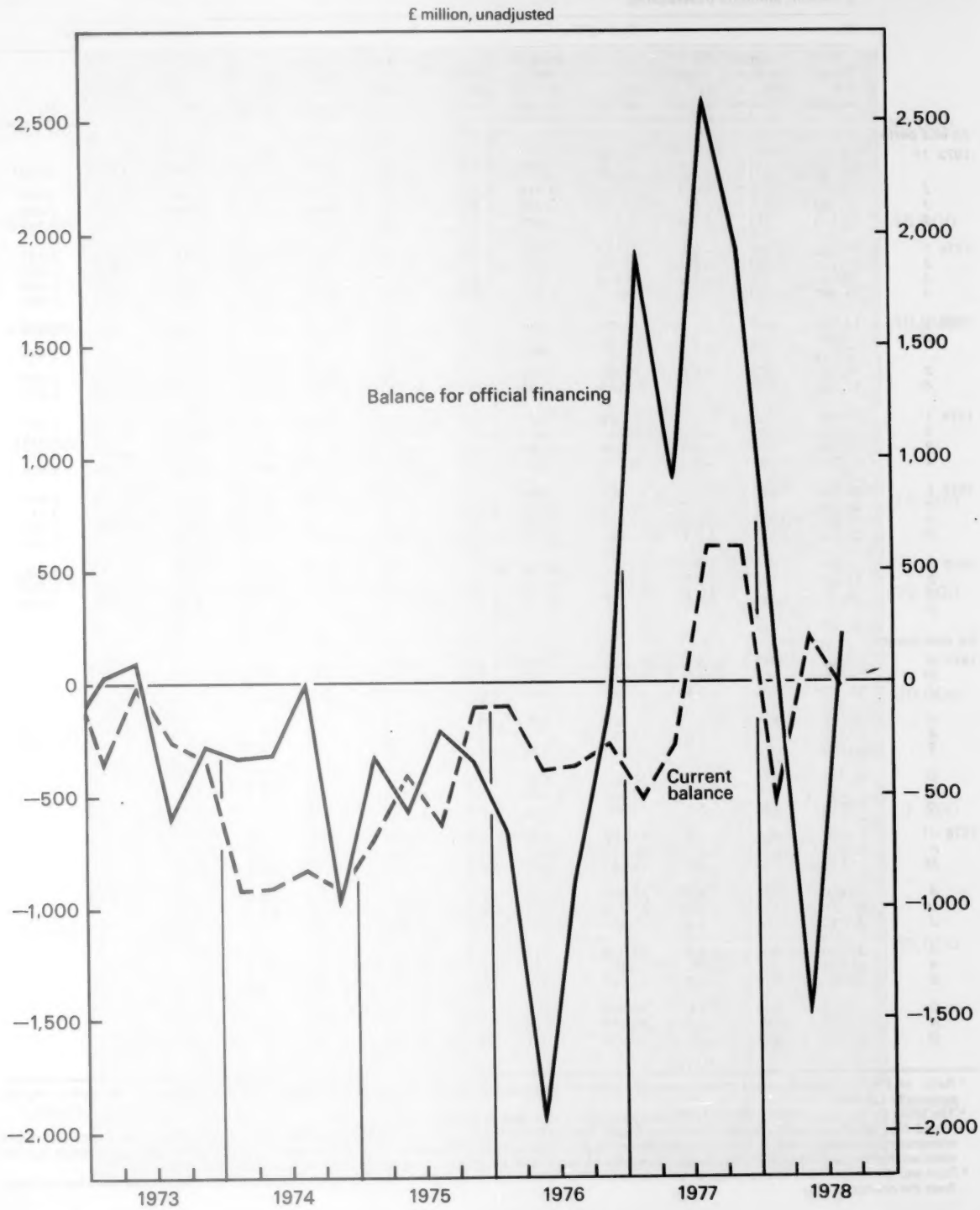
Analysis of capital transactions and official financing [1]

£ million

Not seasonally adjusted

	Current balance	Investment and other capital transactions: Official long-term capital	Overseas investment in UK public sector [2]	Private sector investment (net)	Overseas currency borrowing or lending (net) by UK banks [2]	Change in external sterling liabilities	Trade credit [3] and other short-term transactions	Balancing item and other capital transactions [4]	Balance for official financing [5]	Official financing: Allocation of SDR and gold subscription to IMF	Drawings on (+)/additions to (−) official reserves [6]	Other transactions (net) [7]
1967	− 294	− 59	+ 54	− 96	+ 36	− 286	−146	+120	− 671	—	+ 115	+ 556
1968	− 286	+ 16	+ 16	− 160	− 15	− 308	−305	−368	−1,410	—	+ 114	+1,296
1969	+ 463	− 99	− 56	− 6	− 38	+ 261	−227	+389	+ 687	—	− 44	− 643
1970	+ 731	−205	− 10	+ 56	+472	+ 459	−195	− 21	+1,287	+133	− 125	−1,295
1971	+1,090	−274	+107	+ 211	+471	+1,422	−128	+247	+3,146	+125	−1,536	−1,735
1972	+ 135	−255	+120	− 588	+471	+ 196	−613	−731	−1,265	+124	+ 692	+ 449
1973	− 999	−254	+175	− 90	+525	+ 154	−345	+ 63	− 771	—	− 228	+ 999
1974	−3,591	−276	+252	+1,169	−294	+1,558	−712	+248	−1,646	—	− 105	+1,751
1975	−1,855	−288	+ 43	+ 416	+235	− 67	− 61	+112	−1,465	—	+ 655	+ 810
1976	−1,137	−158	+203	− 95	−106	−1,152	−1,588	+404	−3,629	—	+ 853	+2,776
1977	+ 406	−291	+2,182	+ 743	+384	+1,452	− 54	+2,539	+7,361	—	−9,588	+2,227
1970 *1*	+ 235	− 48	+ 3	+ 37	+125	+ 283	+ 66	+214	+ 915	+171	− 76	−1,010
2	+ 166	− 38	− 3	+ 123	+123	+ 158	−136	−166	+ 227	—	− 34	− 193
3	+ 88	− 20	− 23	− 83	− 24	+ 3	− 14	−129	− 202	—	+ 52	+ 150
4	+ 242	− 99	+ 13	− 21	+248	+ 15	−111	+ 60	+ 347	− 38	− 67	− 242
1971 *1*	+ 56	− 46	+ 70	+ 115	+ 84	+ 285	+ 70	+278	+ 922	+125	− 204	− 843
2	+ 347	− 44	+ 7	+ 55	+148	+ 277	− 98	− 89	+ 603	—	− 126	− 477
3	+ 382	− 34	+ 5	+ 54	+ 28	+ 337	+ 88	−192	+ 668	—	− 576	− 92
4	+ 295	−150	+ 25	− 13	+211	+ 523	−188	+250	+ 953	—	− 630	− 323
1972 *1*	− 20	− 42	+ 65	− 190	+114	+ 211	−165	+ 84	+ 57	+124	− 191	+ 10
2	+ 238	− 39	+ 22	− 175	−132	− 138	−375	−446	−1,045	—	+ 46	+ 999
3	− 137	− 17	+ 24	− 68	+199	− 92	− 48	+ 60	− 79	—	+ 639	− 560
4	+ 54	−157	+ 9	− 155	+290	+ 215	− 25	−429	− 198	—	+ 198	—
1973 *1*	− 370	− 55	+ 44	+ 10	+ 1	+ 170	− 57	+284	+ 27	—	− 72	+ 45
2	− 27	− 31	+ 20	+ 54	+152	+ 166	+ 39	−274	+ 99	—	− 380	+ 281
3	− 256	− 27	+ 21	− 27	+ 36	− 415	−190	+240	− 618	—	+ 254	+ 364
4	− 346	−141	+ 90	− 127	+336	+ 233	−137	−187	− 279	—	− 30	+ 309
1974 *1*	− 925	− 52	+ 32	+ 574	− 61	+ 179	−144	+ 58	− 339	—	+ 33	+ 306
2	− 910	− 42	+107	+ 307	+ 56	+ 386	−105	−118	− 319	—	− 116	+ 435
3	− 839	− 15	+ 30	+ 367	−346	+ 616	−121	+308	—	—	− 189	+ 189
4	− 917	−167	+ 83	− 79	+ 57	+ 377	−342	—	− 988	—	+ 167	+ 821
1975 *1*	− 700	− 73	+ 66	− 16	− 80	+ 247	− 33	+263	− 326	—	− 142	+ 468
2	− 408	− 39	—	− 315	+772	− 17	−262	−303	− 572	—	+ 410	+ 162
3	− 635	− 26	− 52	+ 571	− 15	− 379	+180	+143	− 213	—	+ 170	+ 43
4	− 112	−150	+ 29	+ 176	−442	+ 82	+ 54	+ 9	− 354	—	+ 217	+ 137
1976 *1*	− 106	− 37	+ 9	+ 168	+ 94	− 75	−678	− 53	− 678	—	− 178	+ 856
2	− 388	− 26	+ 13	− 155	− 86	− 932	−591	+209	−1,956	—	+ 354	+1,602
3	− 368	− 10	+ 58	− 56	−272	− 137	−227	+150	− 862	—	+ 61	+ 801
4	− 275	− 85	+123	− 52	+158	− 8	− 92	+ 98	− 133	—	+ 616	− 483
1977 *1*	− 518†	− 25	+498	+ 358†	+421	+ 389	+ 82	+708†	+1,913	—	−3,197	+1,284
2	− 280	− 20	+921	+ 21	−706	− 48	− 46	+1,066	+ 908	—	−1,158	+ 250
3	+ 602	− 17	+289	+ 334	+189	+ 397	—	+814	+2,608	—	−3,227	+ 619
4	+ 602	−229	+474	+ 30	+480	+ 714	− 90	− 49	+1,932	—	−2,006	+ 74
1978 *1*	− 554	− 57	− 3	+ 338	+115	+ 101	−402†	+635	+ 173	—	+ 46	− 219
2	+ 213	− 14†	− 15	− 47	−955†	− 387	−361	+ 72	−1,494	—	+2,026	− 532
3	− 3	− 17	− 14†	− 353	+328	+ 164†	− 36	−141	+ 210†	—	− 54†	− 156†
4												

[1] More comprehensive analyses are given in the appendix tables to the balance of payments articles in the March, June, September and December issues.
[2] Excluding public sector borrowing under the exchange cover scheme which is included under official financing.
[3] Excluding trade credit between 'related' firms; after deducting advance and progress payments to suppliers.
[4] Capital transfers and EEA loss on forward commitments.
[5] Balance of current and capital transactions, including unidentified transactions covered by official financing other than that relating to IMF gold subscriptions and the allocation of SDRs.
[6] From 23 August 1971, valued in sterling at market-related rates of exchange. From July 1972, includes transactions affecting the United Kingdom reserve position in the IMF.
[7] Includes net transactions with overseas monetary authorities and other foreign currency borrowing by HM Government and by the public sector under the exchange cover scheme; in 1966 and 1967 includes the transfer from dollar portfolio to reserves.


£ million, unadjusted
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
Balance for official financing
Current balance
1973
1974
1975
1976
1977
1978

Money stock

£ million: amounts outstanding

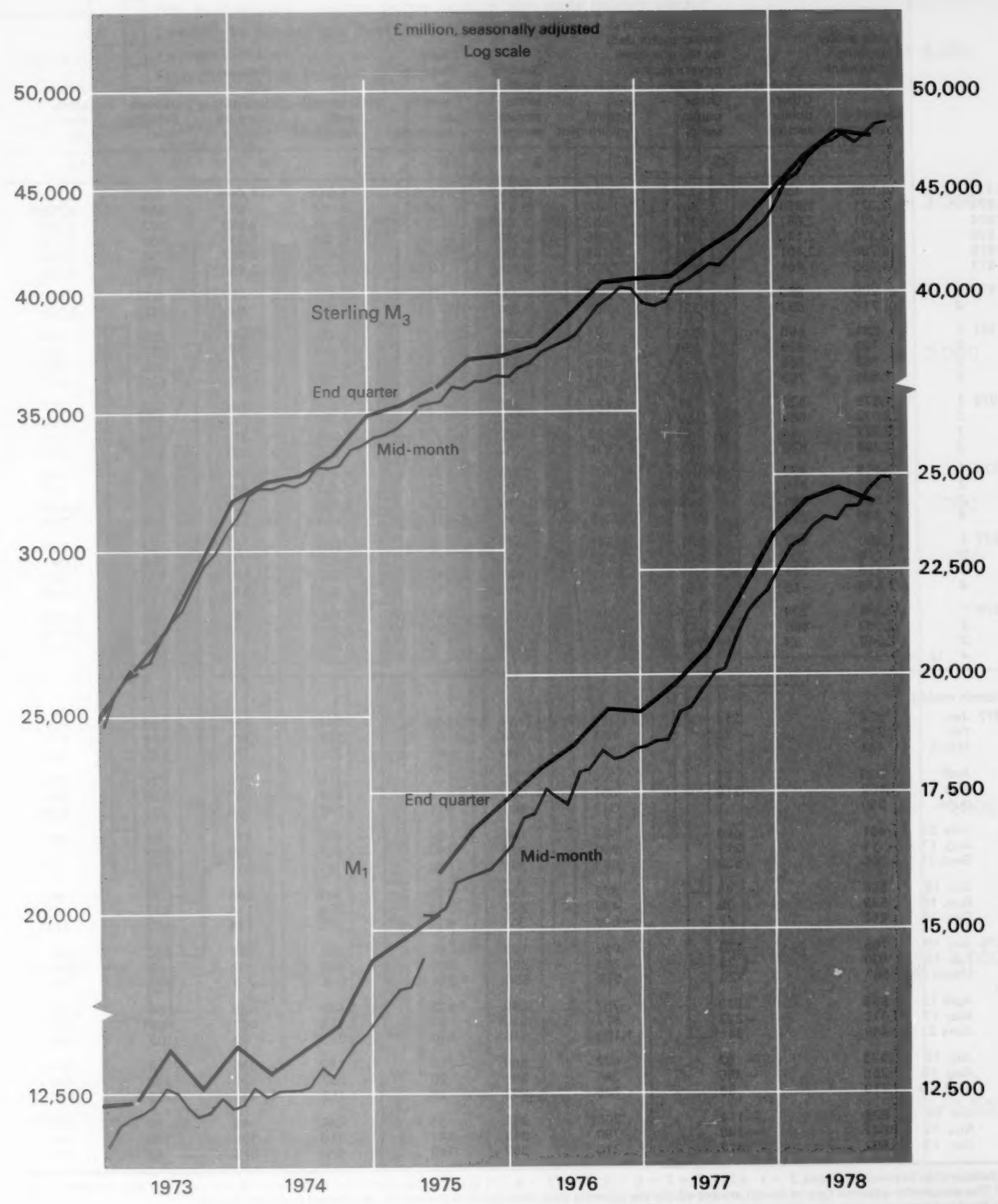
	M_1			Sterling M_3			M_3			Velocity of circulation[1]		
	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted §	Changes (seasonally adjusted)	*Percentage change*	M_1	Sterling M_3	M_3
At end period												
1973 *1*[2]	12,330	+ 11	*+0·1*	26,330	1,447	*+5·8*	27,330	1,844	*+6·4*	5·857†	2·821†	2·723†
	12,330			26,240			27,340					
2	13,120	789	*+6·4*	27,650	1,416	*+5·4*	28,720	1,389	*+5·1*	5·669	2·675	2·574
3	12,750	−360	*−2·7*	29,730	2,095	*+7·6*	31,050	2,343	*+8·2*	5·764	2·599	2·495
4	13,120	373	*+2·9*	31,610	1,904	*+6·4*	33,040	2,016	*+6·5*	5·914	2·494	2·387
1974 *1*	12,750	−361	*−2·8*	32,450	870	*+2·8*	34,220	1,211	*+3·7*	5·843	2·360	2·247
2	13,100	346	*+2·7*	32,680	240	*+0·7*	34,860	647	*+1·9*	6·282	2·493	2·351
3	13,530	432	*+3·3*	33,520	843	*+2·6*	36,020	1,163	*+3·3*	6·562	2·640	2·465
4	14,550	1,020	*+7·5*	34,840	1,302	*+3·9*	37,230	1,200	*+3·3*	6·394	2·626	2·451
1975 *1*	14,830	268	*+1·8*	35,210	337	*+1·0*	37,730	458	*+1·2*	6·425	2·695	2·518
2[3]	15,170	326	*+2·2*	35,730	506	*+1·4*	38,080	338	*+0·9*	6·706	2·871	2·686
	15,900			35,710			38,070					
3	16,730	830	*+5·2*	36,900	1,187	*+3·3*	39,700	1,625	*+4·3*	6·592	2·929	2·735
4[4]	17,340	593	*+3·5*	37,200	296	*+0·8*	40,170	476	*+1·2*	6·587	3·029	2·810
1976 *1*	17,920	555	*+3·2*	37,670	445	*+1·2*	40,820	619	*+1·5*	6·655	3·134	2·897
2	18,310	386	*+2·2*	38,650	971	*+2·6*	42,220	1,386	*+3·4*	6·672	3·168	2·911
3	19,190	879	*+4·8*	40,300	1,658	*+4·3*	44,330	2,126	*+5·0*	6·727	3·195	2·915
4	19,150	− 32	*−0·2*	40,570	294	*+0·7*	44,540	229	*+0·5*	6·846	3·246	2·954
1977 *1*	19,750	596	*+3·1*	40,800	256	*+0·6*	45,080	566	*+1·3*	6·776	3·239	2·941
2	20,470	726	*+3·7*	41,900	1,097	*+2·7*	46,570	1,485	*+3·3*	6·862	3·337	3·011
3	21,820	1,345	*+6·6*	42,710	807	*+1·9*	47,130	555	*+1·2*	6·870	3·434	3·101
4[5]	23,330	1,510	*+6·9*	44,660	1,956	*+4·6*	48,940	1,814	*+3·8*	6·598	3·410	3·101
1978 *1*	24,250	927	*+4·0*	46,700	2,036	*+4·6*	51,220	2,281	*+4·7*	6·421	3·344	3·050
2	24,620	366	*+1·5*	48,010	1,314	*+2·8*	53,230	2,015	*+3·9*	6·491	3·349	3·037
3	25,790	1,172	*+4·8*	49,170	1,174	*+2·4*	54,110	893	*+1·7*	6·535	3·390	3·069
4												
At mid-month												
1977 *A*	19,200	640	*+3·4*	40,330	795	*+2·0*	44,530	1,159	*+2·7*	..	..	..
M	19,350	161	*+0·8*	40,660	353	*+0·9*	44,920	412	*+0·9*	..	..	..
J	19,640	295	*+1·5*	40,960	309	*+0·8*	45,190	280	*+0·6*	..	..	..
J	20,050	426	*+2·2*	41,320	358	*+0·9*	45,470	290	*+0·6*	..	..	..
A	20,100	59	*+0·3*	41,290	− 1	—	45,450	3	—	..	..	..
S	20,890	817	*+4·1*	41,990	730	*+1·8*	46,200	782	*+1·7*	..	..	..
O	21,470	594	*+2·8*	42,550	595	*+1·4*	46,530	358	*+0·8*	..	..	..
N	21,780	325	*+1·5*	42,840	296	*+0·7*	46,560	42	*+0·1*	..	..	..
D	22,010	233	*+1·1*	43,280	442	*+1·0*	47,080	518	*+1·1*	..	..	..
1978 *J*[6]	22,620	617	*+2·8*	44,310	1,036	*+2·4*	48,000	890	*+1·9*	..	..	..
F	23,100	475	*+2·1*	45,360	1,047	*+2·4*	49,140	1,131	*+2·4*	..	..	..
M	23,240	142	*+0·6*	45,660	292	*+0·6*	49,740	598	*+1·2*	..	..	..
A	23,610	369	*+1·6*	46,810	1,152	*+2·5*	51,450	1,717	*+3·5*	..	..	..
M	23,820	213	*+0·9*	47,210	403	*+0·9*	52,210	762	*+1·5*	..	..	..
J	23,720	−94	*−0·4*	47,360	148	*+0·3*	52,430	218	*+0·4*	..	..	..
J	24,130	409	*+1·7*	47,870	514	*+1·1*	52,770	341	*+0·7*	..	..	..
A	24,150	15	*+0·1*	47,400	− 481	*−1·0*	51,880	−897	*−1·7*	..	..	..
S	24,660	510	*+2·1*	47,980	570	*+1·2*	52,510	619	*+1·2*	..	..	..
O	24,920	251	*+1·0*	48,500†	517†	*+1·1*	53,150†	632†	*+1·2*	..	..	..
N	24,860	− 61	*−0·2*	48,610	106	*+0·2*	53,490	344	*+0·6*	..	..	..
D	25,240	391	*+1·6*	49,070	471	*+1·0*	53,690	200	*+0·4*	..	..	..

[1] Ratio of GNP at current market prices seasonally adjusted expressed at an annual rate to the centred quarterly average of M_1/sterling M_3/M_3 seasonally adjusted.

[2] The break in the series at end-March 1973 shows the effect of a change in contributors.

[3] At mid-May 1975 new statistical returns were introduced. The first line of figures for end-June 1975, includes a number of estimates to provide reasonable consistency with earlier dates. [4] The amounts outstanding at end-December 1975 are shown after the exclusion of one contributor to the series, but the effect on the figures is very small. The changes have been adjusted to exclude the effect of the reduction in the number of contributors.

[5] From end-December 1977 the coverage of UK holders of dollar certificates of deposit has been somewhat expanded: the effect of this has been excluded from the change in M_3.


£ million, seasonally adjusted
Log scale
50,000
45,000
40,000
35,000
30,000
25,000
20,000
12,500
Sterling M3
End quarter
Mid-month
M1
End quarter
Mid-month
50,000
45,000
40,000
25,000
22,500
20,000
17,500
15,000
12,500
1973
1974
1975
1976
1977
1978

Domestic credit expansion and money stock

Seasonally adjusted[1]

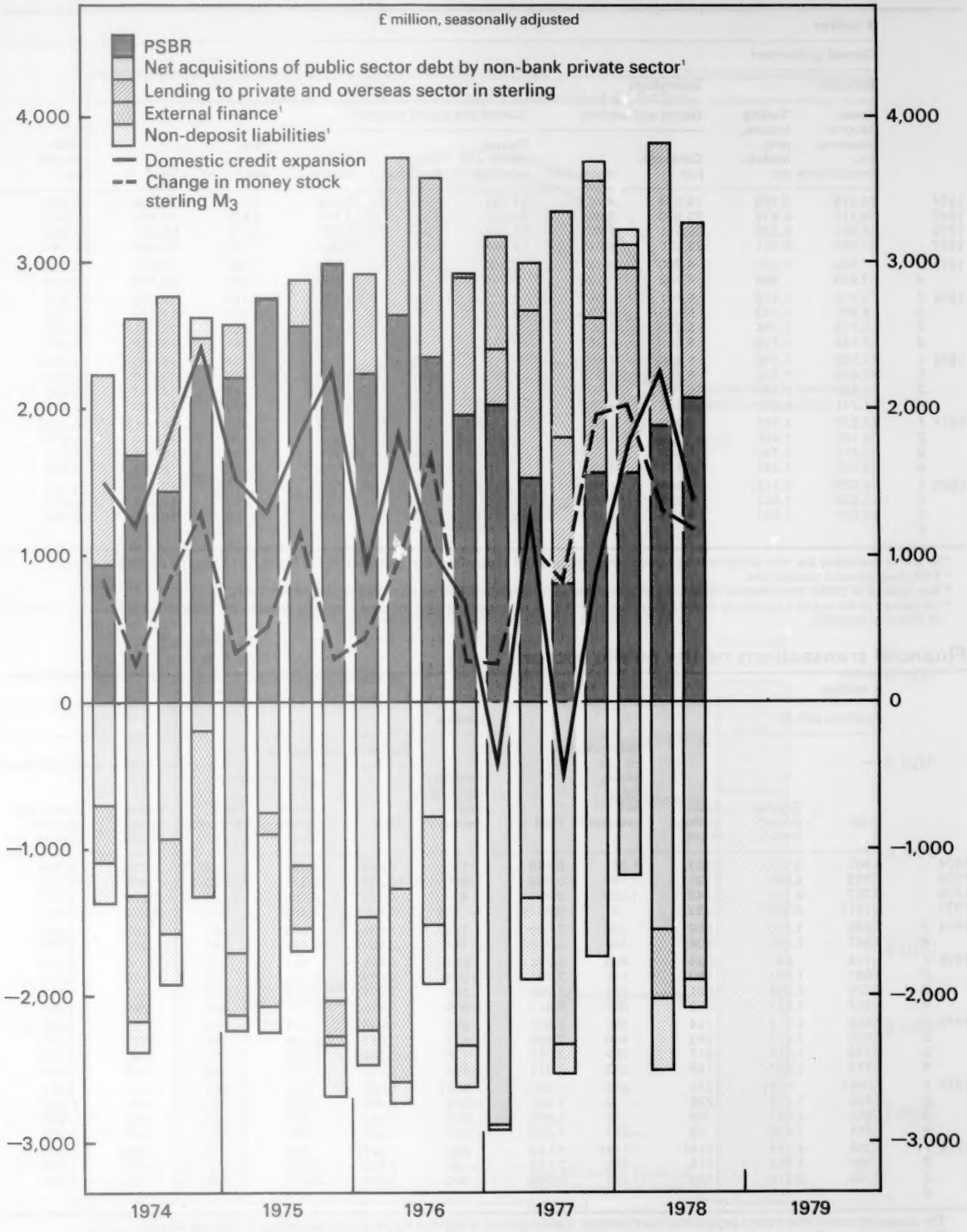
£ million

	Public sector borrowing requirement		Net acquisition of public sector debt by the non-bank private sector		Sterling lending to the private sector[2]	Bank lending in sterling to overseas	Domestic credit expansion	External and foreign currency finance	Non-deposit liabilities (net)	Money stock sterling M_3
	Central government	Other public sector	Other public sector	Central government						
	1	2	3	4	5	6	7	8	9	10
1972	1,596	438	230	776	5,510	136	6,674	1,095	652	4,927
1973	2,321	1,874	891	1,401	5,972	189	8,064	877	485	6,702
1974	3,491	2,881	2,309	852	3,435	289	6,935	2,998	682	3,255
1975	8,376	2,145	257	5,346	— 385	— 65	4,468	1,337	802	2,326
1976	6,786	2,401	409	5,456	3,454	648	7,424	2,807	1,052	3,565
1977	4,465	1,461	494	7,801	3,190	405	1,226	—3,553	650	4,132
1973 *3*	205	830	186	348	739	168	2,408	429	43	1,936
4	717	657	231	392	1,997	55	2,803	405	192	2,206
1974 *1*	381	560	575	124	1,185	105	1,532	397	265	870
2	789	899	686	642	885	45	1,290	848	202	240
3	783	659	455	480	1,302	21	1,830	634	353	843
4	1,538	763	593	— 394	63	118	2,283	1,119	— 138	1,302
1975 *1*	1,379	828	27	1,677	499	—124	878	409	132	337
2	2,072	685	198	556	— 294	148	1,857	1,176	175	506
3	2,527	44	— 123	1,235	— 428	— 7	1,024	— 312	149	1,187
4	2,398	588	155	1,878	— 162	— 82	709	64	346	296
1976 *1*	1,778	463	4	1,455	329	347	1,458	781	232	445
2	1,923	719	167	1,106	799	265	2,433	1,321	140	971
3	1,855	495	137	651	1,019	202	2,783	727	399	1,658
4	1,230	724	101	2,244	1,110	—166	553	— 22	281	294
1977 *1*	1,450	567	491	2,391	471	— 86	— 480	— 767	32	256
2	1,318	209	157	1,179	966	180	1.337	— 321	562	1,097
3	119	701	— 4	2,347	827	160	— 536	—1,536	194	807
4	1,578	—16	— 150	1,884	910	151	889	— 929	— 138	1,956
1978 *1*	1,361	203	— 120	1,298	773	621	1,780	— 157	— 99	2,036
2	2,363	—480	— 443	1,994	1,647	292	2,271	470	487	1,314
3	2,043	33	382	1,517	1,156	27	1,360	— 1	187	1,174
4										
Month ended										
1977 Jan.	524		214	1,729	183	—146	— 954	— 337	— 142	— 475
Feb.	396		— 72	651	—244	— 86	— 657	— 385	— 101	— 171
March	481		2	392	180	52	323	15	180	128
April	800		84	200	30	—	714	— 218	137	795
May	1,162		—218	861	331	— 8	406	— 107	160	353
June	560		— 1	317	443	111	796	164	323	309
July 20	—491		466	678	195	55	— 453	— 877	66	358
Aug. 17	— 11		217	900	425	107	— 162	— 289	128	— 1
Sept. 21	—305		528	683	395	— 28	— 93	— 851	23	730
Oct. 19	556		— 69	873	439	129	182	— 383	— 30	595
Nov. 16	539		36	488	226	42	355	— 173	232	296
Dec. 14	252		47	538	308	121	190	— 144	—108	442
1978 Jan. 18	785		—123	692	192	91	253	— 381	—402	1,036
Feb. 15	599		— 29	203	287	306	960	— 152	65	1,047
March 15	267		129	572	560	214	598	— 3	309	292
April 19	998		318	267	259	123	1,431	439	—160	1,152
May 17	1,073		—223	512	738†	37†	1,113	602†	108†	403
June 21	489		341†	1,193	536	140	313†	60	105	148
July 19	223		— 82	572	559	— 18	110	— 386	— 18	514
Aug. 16	256		—435	395	262	20	— 292	37	152	— 481
Sept. 20	1,219		36	725	202	— 20	712	— 147	289	570
Oct. 18	526		—114	208†	351	— 15	540	48	— 25	517†
Nov. 15	847		—149	790	343	—141	110	—176	180	106
Dec. 13	592		417	710	390	143	832	319	42	471

Relationship between columns 7 = 1 + 2 − 3 − 4 + 5 + 6; 10 = 7 − 8 − 9 (The figures combined in the bracket are column 2 *less* column 3).

[1] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[2] Banking sector lending *plus* Bank of England Issue Department holdings of commercial bills.



[1]Increases are shown as (—), decreases are shown as (+)

General government receipts and expenditure[1]

£ million

	General government									
	Receipts[2]		Expenditure							
	Taxes, national insurance, etc. contributions	Trading income, rent, interest, etc.	Goods and services		Current and capital transfers			Net lending, etc.[3]	Total	Public expenditure[4]
			Consumption	Investment	Current grants and subsidies	Capital transfers	Debt interest			
1974	29,878	3,705	16,564	4,452	11,191	1,092	3,608	2,201	39,108	36,052
1975	38,371	4,473	22,930	5,064	14,402	1,194	4,210	3,695	51,495	47,541
1976	44,557	5,339	26,611	5,492	17,027	1,419	5,456	2,378	58,383	53,886
1977	51,095	6,061	29,121	4,941	19,544†	1,552	6,537	253	61,948†	56,747†
1974 *3*	7,564	1,005	4,280	1,161	2,909	273	1,046	908	10,577	9,652
4	7,896	965	4,742	1,136	3,235	282	909	542	10,846	10,122
1975 *1*	9,710	1,115	5,461	1,357	3,333	376	1,138	1,190	12,855	11,827
2	8,801	1,043	5,435	1,130	3,581	201	798	779	11,924	11,046
3	9,716	1,206	5,853	1,208	3,626	297	1,242	865	13,091	12,001
4	10,144	1,109	6,181	1,369	3,862	320	1,032	861	13,625	12,667
1976 *1*	11,346	1,378	6,406	1,693	4,115	385	1,537	934	15,070	13,784
2	10,624	1,233	6,594	1,210	4,250	307	1,013	506	13,880	12,918
3	10,856	1,423	6,709	1,301	4,224	322	1,639	748	14,943	13,693
4	11,731	1,305	6,902	1,288	4,438	405	1,267	190	14,490	13,491
1977 *1*	13,273	1,561	6,992	1,571	4,722†	506	1 863	437	16 091†	14,692†
2	12,180	1,410	7,224	1,015	4,852	355	1,337	−179	14,604	13,539
3	12,716	1,743	7,384	1,169	4,874	330	1,799	88	15,644	14,013
4	12,926	1,347	7,521	1,186	5,096	361	1,538	−93	15,609	14,503
1978 *1*	14,825†	1,712†	7,968†	1,396†	5,583	679†	2,058†	76†	17,760	16,115
2	13,239	1,543	7,996	956	5,680	389	1,509	433	17,963	15,677
3	13,675	1,681	8,193	1,152	5,741	428	2,052	729	18,295	16,494
4										

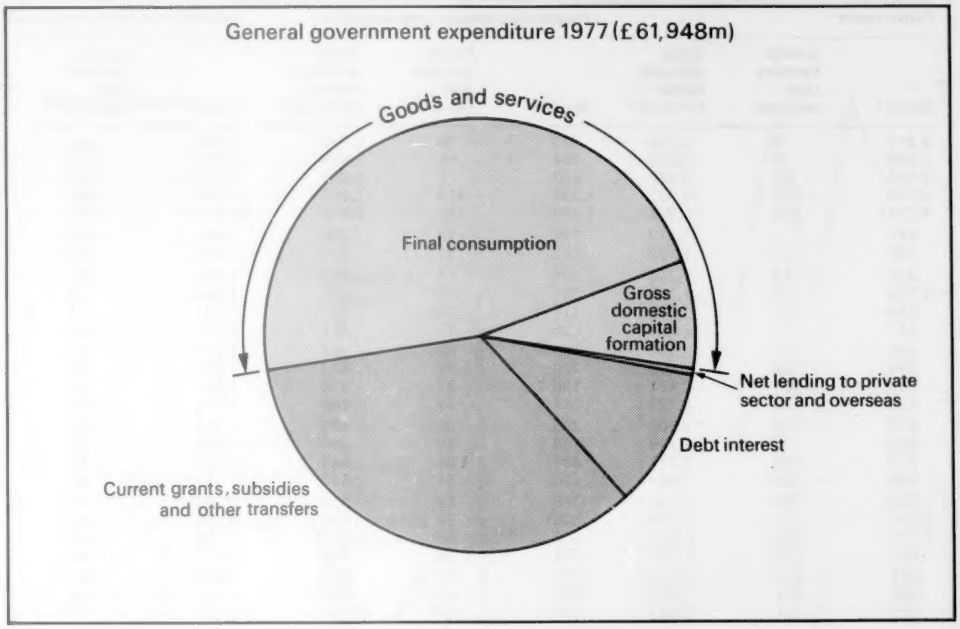
[1] An article describing the new presentation of government income and expenditure was published in the March 1977 issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc. (net).
[4] As defined in the public expenditure White Paper (Cmnd. 7049). A reconciliation with the total of general government expenditure is shown in Table 2·4 of *Financial Statistics*.

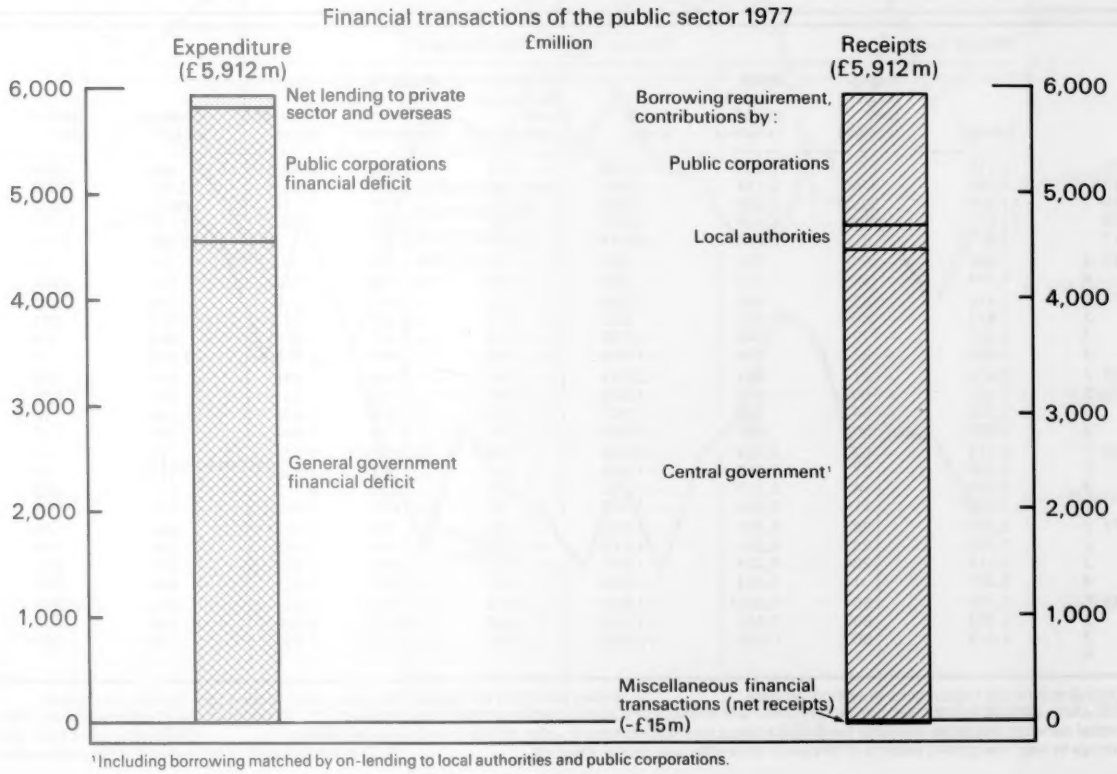
Financial transactions of the public sector

£ million

	Financial deficit[1]			Net lending etc., to private sector and overseas[3]	Total	Receipts					
						Financial transactions (net receipts)	Borrowing requirement				
							Total	Contributions by:			
	Total	General government[2]	Public corporations					Central government[4]	Local authorities	Public corporations	Seasonally adjusted total[5§]
1974	4,907	3,324	1,583	1,641	6,548	180	6,368	3,491	2,124	753	6,368
1975	7,893	4,956	2,937	1,746	9,639	−886	10,525	8,376	1,653	496	10,525
1976	8,357	6,109	2,248	1,269	9,626	439	9,187	6,786	1,130	1,271	9,187
1977	5,791†	4,539†	1,252	121	5,912†	− 15†	5,927	4,465	230	1,232	5,927
1974 *3*	1,669	1,100	569	650	2,319	724	1,595	858	452	285	1,441
4	1,847	1,443	404	366	2,213	−744	2,957	2,257	440	260	2,301
1975 *1*	1,774	840	934	400	2,174	652	1,522	987	527	8	2,206
2	1,881	1,301	580	311	2,192	−905	3,097	2,356	612	129	2,757
3	2,325	1,304	1,021	431	2,756	265	2,491	2,288	210	−7	2,571
4	1,913	1,511	402	604	2,517	−898	3,415	2,745	304	366	2,991
1976 *1*	2,156	1,412	744	350	2,506	873	1,633	1,414	196	23	2,242
2	2,060	1,517	543	430	2,490	−472	2,962	2,204	281	477	2,641
3	2,728	1,916	812	287	3,015	720	2,295	1,655	287	353	2,349
4	1,413	1,264	149	202	1,615	−682	2,297	1,513	366	418	1,955
1977 *1*	1,055†	820†	235	312	1,367†	345†	1,022	572	472	−22	2,017
2	1,429	1,193	236	2	1,431	−526	1,957	1,738	−230	449	1,528
3	1,856	1,097	759	14	1,870	833	1,037	274	281	482	820
4	1,451	1,429	22	−207	1,244	−667	1,911	1,881	−293	323	1,562
1978 *1*	1,258	1,147	111†	−114†	1,144	520	624†	538	714	−628†	1,563†
2	1,964	1,748	216	155	2,119	−89	2,208	2,658	−117	−333	1,883
3	2,736	2,210	526	270	3,006	688	2,318	2,235	174	− 91	2,064
4											

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, *less* 1 and 2.
[3] Including cash expenditure on company securities (net).
[4] Including borrowing matched by on-lending to local authorities and public corporations.
[5] Calendar year constrained.


General government expenditure 1977 (£61,948m)
Goods and services
Final consumption
Gross domestic capital formation
Net lending to private sector and overseas
Debt interest
Current grants, subsidies and other transfers



[1] Including borrowing matched by on-lending to local authorities and public corporations.

Sector financial accounts

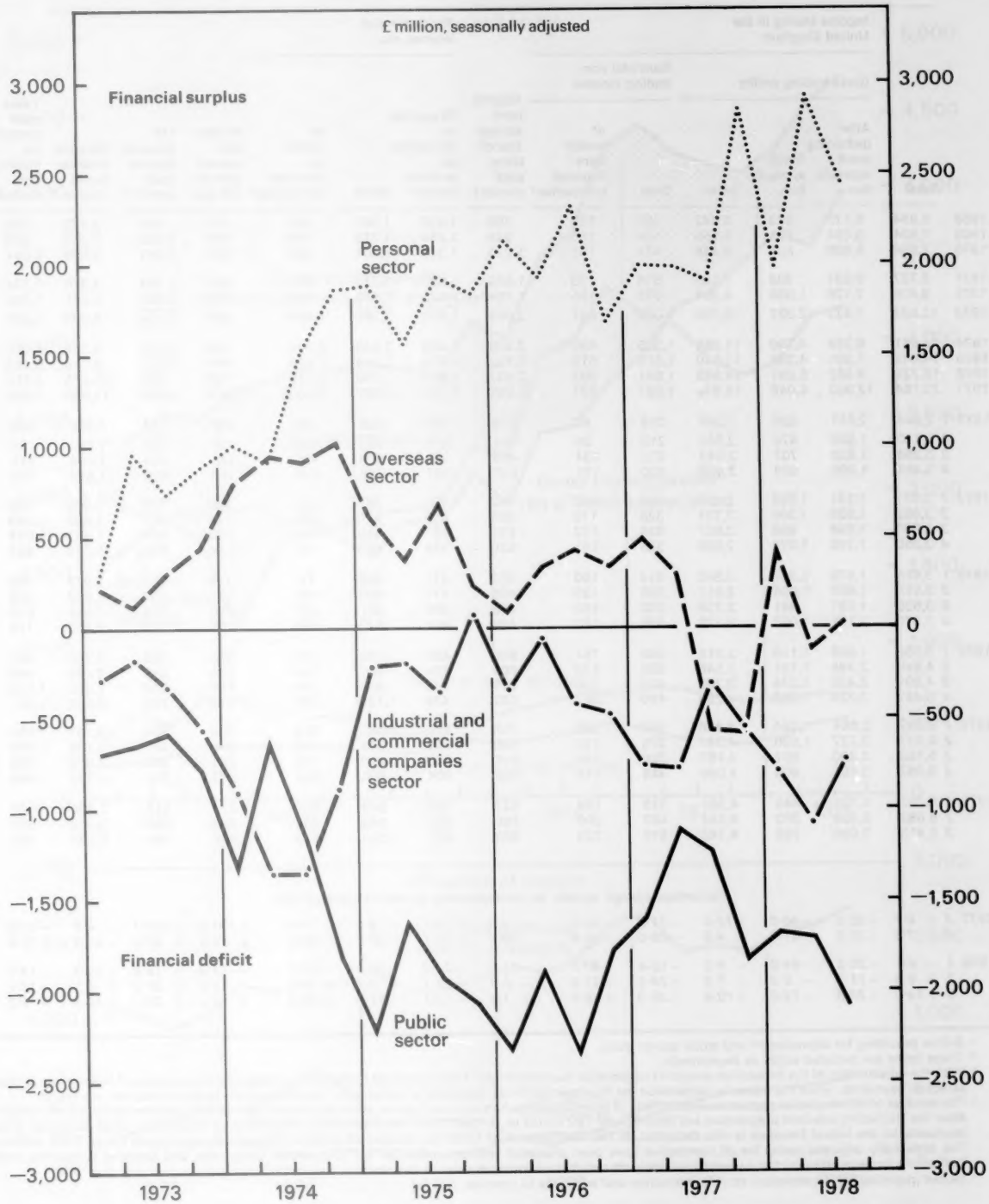
Seasonally adjusted

£ million

	Public sector[1]			Financial companies and institutions			Industrial and commercial companies		
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
1973	3,217	— 5	5,918	882	— 76	1,303	7,008	347	8,693
1974	2,760	— 17	7,650	784	— 66	1,458	7,315	332	12,154
1975	2,154	— 85	9,962	663	— 16	1,698	8,016	405	9,106
1976	2,781	—166	10,972	1,336	—129	2,036	11,476	358	13,131
1977	4,326†	—189	9,928	1,259†	—150	2,377	11,900†	258	14,565
1973 *3*	941	—	1,513	198	— 18	336	1,866	101	2,295
4	744	33	1,562	242	— 32	374	1,892	82	2,532
1974 *1*	379	14	1,719	236	— 14	374	1,906	82	2,897
2	1,125	— 22	1,738	201	— 17	361	1,899	90	3,344
3	879	— 20	1,989	111	— 18	342	1,731	77	3,159
4	377	11	2,204	236	— 17	381	1,779	83	2,754
1975 *1*	225	— 65	2,393	120	62	361	1,873	94	2,175
2	694	34	2,376	136	— 28	412	1,892	84	2,172
3	549	— 25	2,471	190	— 27	479	1,951	116	2,424
4	686	— 29	2,722	217	— 23	446	2,300	111	2,335
1976 *1*	479	— 12	2,803	255	— 26	457	2,250	91	2,684
2	888	— 35	2,749	198	— 35	496	2,876	97	3,025
3	428	— 34	2,737	407	— 34	543	2,993	82	3,498
4	986	— 85	2,683	476	— 34	540	3,357	88	3,924
1977 *1*	1,105†	— 70	2,635	383	— 33	513	3,167†	75	4,007
2	1,281	— 74	2,319	320†	— 39	506	3,104	87	3,971
3	1,317	— 35	2,522	352	— 40	702	2,872	47	3,225
4	623	— 10	2,452	204	— 38	656	2,757	49	3,362
1978 *1*	827	—237†	2,273†	171	51	836	2,840	131†	3,764†
2	684	—131	2,265	355	— 42	782†	3,168	88	4,330
3	528	— 94	2,527	600	— 42†	714	3,224	70	4,026
4									

	Personal sector			Net acquisition of financial assets[4]					
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector[5]	Residual error[6]
1973	6,116	—325	2,953	—2,706	— 497	—1,338	2,838	999†	604†
1974	8,751	—324	3,144	—4,907	— 740	—4,507	5,283	3,591	1,272
1975	11,169	—304	3,646	—7,893	—1,051	— 685	7,219	1,855	555
1976	12,617	— 63	4,520	—8,357	— 829	—1,297	8,034	1,137	1,312
1977	13,817†	81	5,164	—5,791†	—1,268†	—2,407†	8,734†	—406	1,138†
1973 *3*	1,594	— 84	778	— 572	— 156	— 328	732	291	33
4	1,744	— 84	777	— 785	— 164	— 558	883	433	191
1974 *1*	1,912	— 82	825	—1,326	— 152	— 909	1,005	799	583
2	1,821	— 80	823	— 635	— 177	—1,355	918	918	331
3	2,323	— 79	740	—1,130	— 249	—1,351	1,504	864	362
4	2,695	— 83	756	—1,816	— 162	— 892	1,856	1,010	— 4
1975 *1*	2,811	— 91	832	—2,233	— 179	— 208	1,888	594	138
2	2,541	— 90	890	—1,648	— 304	— 196	1,561	361	226
3	2,925	— 64	935	—1,947	— 316	— 357	1,926	676	18
4	2,892	— 59	989	—2,065	— 252	76	1,844	224	173
1976 *1*	3,214	— 53	1,034	—2,336	— 228	— 343	2,127	79	701
2	3,005	— 27	1,058	—1,896	— 333	— 52	1,920	315	46
3	3,508	— 14	1,177	—2,343	— 170	— 423	2,317	417	202
4	2,890	31	1,251	—1,782	— 98	— 479	1,670	326	363
1977 *1*	3,256†	28	1,291	—1,600†	— 163	— 765†	1,993†	480	55†
2	3,247	26	1,290	—1,112	— 225†	— 780	1,983	280	— 146
3	3,113	28	1,234	—1,240	— 390	— 306	1,907	— 575	604
4	4,201	— 1	1,349	—1,839	— 490	— 556	2,851	— 591	625
1978 *1*	3,285	55	1,356†	—1,683	— 614	— 793	1,984	413	693
2	4,388	85†	1,545	—1,712	— 469	—1,074	2,928	— 126	453
3	4,049	66	1,665	—2,093	— 156	— 732	2,450	26†	505
4									

[1] Excluding financial transactions in writing-off debt.
[2] Before providing for depreciation stock appreciation and addition to reserves.
[3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
[4] This balance is equal to saving *plus* capital transfers *less* gross domestic fixed capital formation *less* increase in value of stocks and work in progress.
[5] Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers.
[6] The residual error in the national income accounts

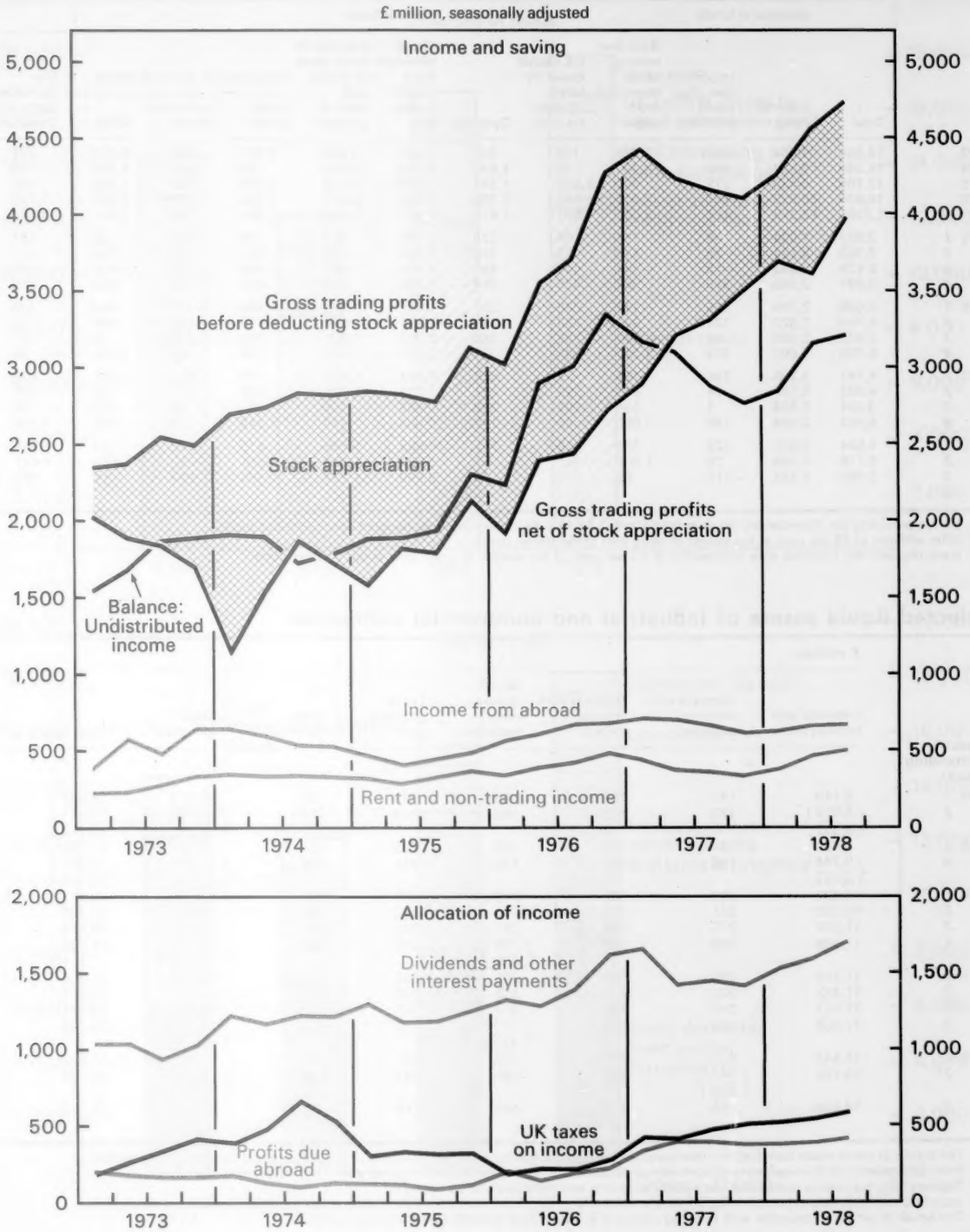

£ million, seasonally adjusted
Financial surplus
Financial deficit
Personal sector
Overseas sector
Industrial and commercial companies sector
Public sector
3,000
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
−2,500
−3,000
1973
1974
1975
1976
1977
1978

Appropriation account of industrial and commercial companies

£ million Seasonally adjusted

	Income							Allocation of income						
		Income arising in the United Kingdom						Dividends and interest, etc.						
		Gross trading profits			Rent and non-trading income									
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Total	*of which* from financial companies[2]	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other	*of which* to financial companies[2]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[2]
1968	6,854	5,172	470	5,642	457	139	755	1,434	1,067	656	311	919	3,123	705
1969	7,604	5,564	591	6,155	504	165	945	1,554	1,219	756	259	1,013	3,559	819
1970	7,984	5,608	838	6,446	514	151	1,024	1,378	1,301	799	322	1,297	3,686	1,041
1971	8,727	6,297	888	7,185	518	135	1,024	1,530	1,320	792	397	1,104	4,376	1,334
1972	9,906	7,128	1,036	8,164	628	196	1,114	1,524	1,510	969	549	1,082	5,241	1,592
1973	12,832	7,423	2,327	9,750	1,029	501	2,053	1,638	2,365	1,806	665	1,156	7,008	2,360
1974	14,671	6,268	4,790	11,058	1,325	695	2,288	1,469	3,340	2,716	525	2,022	7,315	4,012
1975	14,642	7,301	4,239	11,540	1,310	619	1,792	1,608	3,309	2,674	447	1,262	8,016	3,453
1976	18,731	9,462	5,091	14,553	1,641	802	2,537	1,825	3,798	3,149	744	888	11,476	4,116
1977	21,154	12,902	4,046	16,948	1,537	637	2,669	2,233	3,692	3,053	1,496	1,833	11,900	3,846
1973 *1*	2,944	2,011	336	2,347	219	96	378	526	505	386	188	165	1,560	483
2	3,140	1,886	475	2,361	218	90	561	511	522	392	171	246	1,690	486
3	3,284	1,836	707	2,543	272	134	469	319	609	454	151	339	1,866	611
4	3,464	1,690	809	2,499	320	181	645	282	729	574	155	406	1,892	780
1974 *1*	3,677	1,141	1,554	2,695	340	192	642	432	792	647	170	377	1,906	938
2	3,652	1,525	1,206	2,731	326	170	595	355	811	657	126	461	1,899	1,068
3	3,692	1,869	958	2,827	334	172	531	357	855	691	103	646	1,731	1,024
4	3,650	1,733	1,072	2,805	325	161	520	325	882	721	126	538	1,779	982
1975 *1*	3,614	1,576	1,267	2,843	314	150	457	431	868	711	125	317	1,873	896
2	3,514	1,807	1,004	2,811	298	130	405	377	800	641	122	323	1,892	863
3	3,535	1,797	961	2,758	332	157	445	389	801	637	95	299	1,951	979
4	3,979	2,121	1,007	3,128	366	182	485	411	840	685	105	323	2,300	715
1976 *1*	3,935	1,908	1,110	3,018	348	157	569	480	840	673	200	165	2,250	947
2	4,543	2,395	1,151	3,546	388	178	609	424	867	707	136	240	2,876	986
3	4,801	2,435	1,274	3,709	415	200	677	442	953	784	194	219	2,993	1,122
4	5,452	2,724	1,556	4,280	490	267	682	479	1,138	985	214	264	3,357	1,061
1977 *1*	5,592	2,884	1,554	4,438	448	226	706	570	1,082	912	336	437	3,167	991
2	5,322	3,227	1,020	4,247	375	152	700	506	915	758	396	401	3,104	1,009
3	5,188	3,300	867	4,167	366	140	655	553	890	729	391	482	2,872	958
4	5,052	3,491	605	4,096	348	119	608	604	805	654	373	513	2,757	888
1978 *1*	5,252	3,706	545	4,251	379	134	622	709	808	641	376	519	2,840	845
2	5,682	3,605	950	4,555	467	200	660	631	949	802	388	546	3,168	887
3	5,913	3,986	754	4,740	510	233	663	620	1,083	933	405	581	3,224	893
	Percentage change, quarter on corresponding quarter of previous year													
1977 *3*	+ 8·1	+35·5	−40·0	+12·3	−11·8	−30·0	− 3·2	+25·1	− 6·6	− 7·0	+101·5	+120·1	− 4·0	−14·6
4	− 7·3	+28·2	−61·1	− 4·3	−29·0	−55·4	−10·9	+26·1	−29·3	−33·6	+ 74·3	+ 94·3	−17·9	−16·3
1978 *1*	− 6·1	+28·5	−64·9	− 4·2	−15·4	−40·7	−11·9	+24·4	−25·3	−29·7	+ 11·9	+ 18·8	−10·3	−14·7
2	+ 6·8	+11·7	− 6·9	+ 7·3	+24·5	+31·6	− 5·7	+24·7	+ 3·7	+ 5·8	− 2·0	+ 36·2	+ 2·1	−12·1
3	+14·0	+20·8	−13·0	+13·8	+39·3	+66·4	+ 1·2	+12·1	+21·7	+28·0	+ 3·0	+ 20·5	+12·3	− 6·8

[1] Before providing for depreciation and stock appreciation.
[2] These items are included solely as memoranda.
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.
[4] The residual of all companies payments and accruals of financial companies and institutions taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973). Up to 5 April 1973 the balance of deductions of income tax from dividends over payments to the Inland Revenue is also deducted. In the third quarter of 1978 the amount of advance corporation tax included was £358 million. The seasonally adjusted series for all companies have been allocated between industrial and commercial companies and financial companies and institutions in proportion to the calendar year estimates of their accruals of taxes on income.
[5] Before providing for depreciation, stock appreciation and additions to reserves.


£ million, seasonally adjusted
Income and saving
5,000
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Gross trading profits
before deducting stock appreciation
Stock appreciation
Gross trading profits
net of stock appreciation
Balance:
Undistributed
income
Income from abroad
Rent and non-trading income
1973
1974
1975
1976
1977
1978
Allocation of income
2,000
1,500
1,000
500
0
Dividends and other
interest payments
UK taxes
on income
Profits due
abroad
1973
1974
1975
1976
1977
1978

Sources and uses of capital funds of industrial and commercial companies

£ million

	Sources of funds						Uses of funds					
									Acquisition of financial assets			
	Total	Internal funds[1]	Import and other credit received	Bank borrowing, other loans and mortgages[2]	UK capital issues by listed companies (net)	Overseas	Gross domestic fixed capital formation	Increase in book value of stocks and work in progress	Liquid assets[3]	Investment abroad	Other	Unidentified items (residual)
1973	14,589	7,554	596	5,299	194	946	4,879	3,814	2,573	990	2,042	291
1974	14,346	7,507	685	4,491	70	1,593	6,054	6,100	40	825	1,263	64
1975	12,109	8,430	272	900	1,266	1,241	7,078	2,028	1,745	191	1,398	−331
1976	16,974	10,923	867	2,916	880	1,388	8,094	5,037	1,696	716	2,564	−1,133
1977	1,7981	12,313	434	3,097	667	1,470	9,523	5,042	2,824	760	2,011	−2,179
1975 *1*	2,927	1,834	46	769	49	229	1,583	562	178	144	66	394
2	2,763	2,124	−75	170	379	165	1,643	482	−281	226	910	− 217
3	2,428	1,889	−18	−341	413	485	1,964	433	1,388	−209	−421	− 727
4	3,991	2,583	319	302	425	362	1,888	551	460	30	843	219
1976 *1*	3,098	2,219	216	−142	248	557	1,651	922	100	121	539	− 235
2	4,719	2,822	228	975	439	255	1,950	961	685	205	959	− 41
3	3,622	2,290	44	796	152	340	2,207	1,321	728	135	−8	− 761
4	5,535	3,592	379	1,287	41	236	2,286	1,833	183	255	1,074	− 96
1977 *1*	4,741	3,208	224	704	37	568	1,933	1,982	70	252	−126	630
2	4,803	3,187	14	848	347	407	2,432	1,376	443	411	778	− 637
3	3,994	2,924	1	536	185	348	2,463	706	963	61	527	− 726
4	4,443	2,994	195	1,009	98	147	2,695	978	1,348	36	832	−1,446
1978 *1*	4,564	3,010	229	556	18	751	2,533	1,105	470	73	−33	416
2	4,778	3,259	79	1,006	347	87	2,747	1,469	1,044	−33	968	−1,417
3	3,560	3,422	−210	55	279	14	2,899	1,153	279	247	−54	− 964
4												

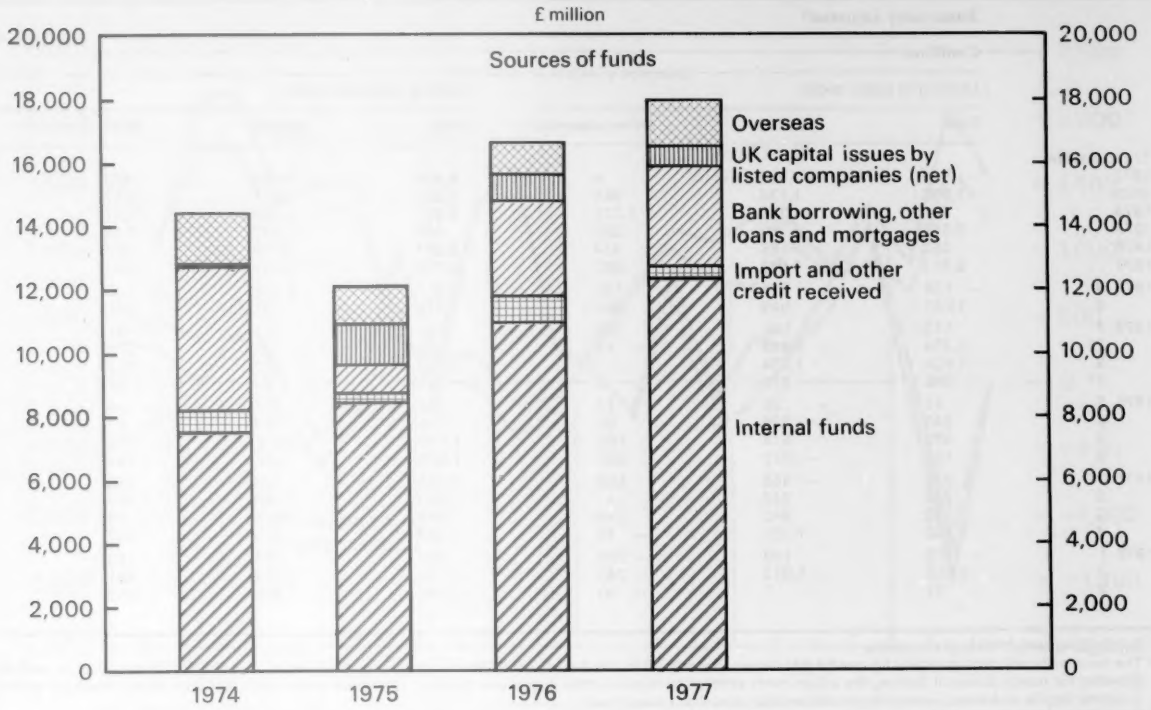
[1] Before providing for depreciation, stock appreciation and additions to reserves and adjusted for unremitted profits.
[2] After addition of 40 per cent of the excess of debit over credit transit items.
[3] Bank deposits are included after subtraction of 60 per cent of the excess of debit over credit transfer items.

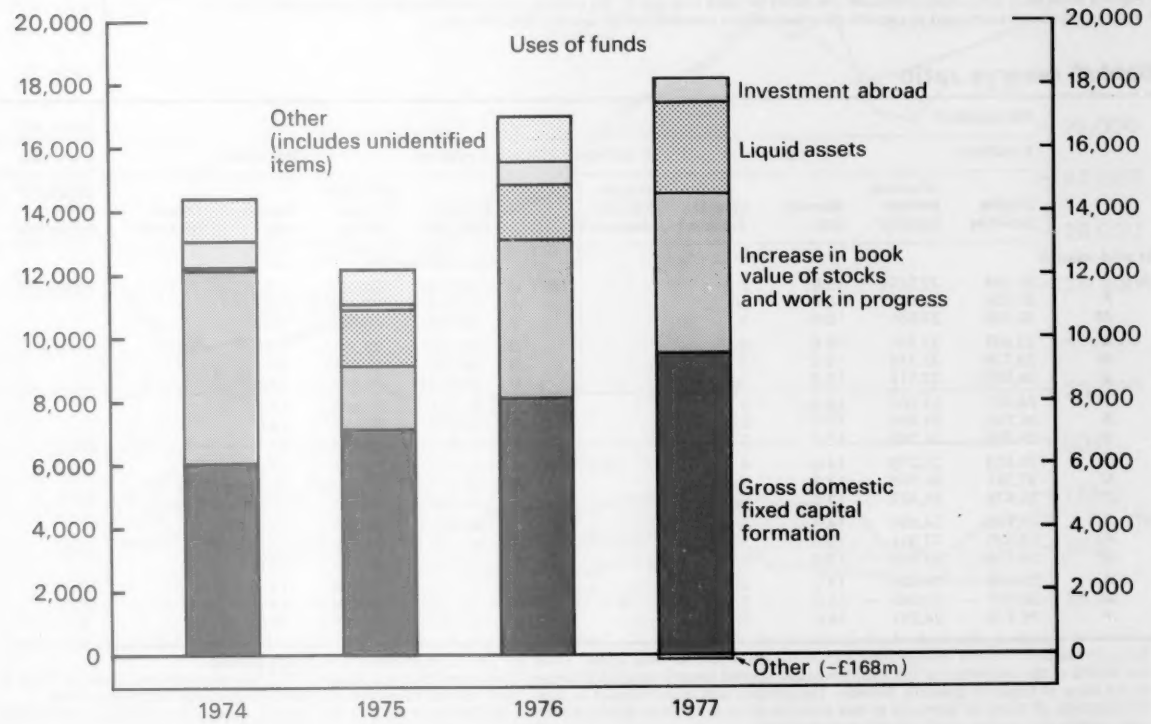
Selected liquid assets of industrial and commercial companies

£ million

Amounts outstanding at end:	Deposits with banking sector[1,2,3]	Deposits with building societies	Deposits with finance houses[1]	British government securities	Local authority debt	Other identified[1,4]	Total identified[1]	Bank advances[1,5]
1975 *1*	8,149	181	163	86	739	59	9,377	19,063
2	8,050 8,302	183	173	155	706	116 113	9,383 9,652	19,817 18,268
1974 *3*	9,480	184	159	149	723	386	11,081	18,188
4	9,744 9,734	185	136	175	741	356	11,337 11,327	18,362 18,410
1976 *1*	9,697	222	183	216	730	567	11,615	18,423
2	10,252	251	193	255	712	690	12,353	19,803
3	11,002	273	203	257	706	430	12,871	20,612
4	11,168	289	210	298 289	932	240	13,137 13,128	21,707
1977 *1*	11,219	304	201	301	867	300	13,192	22,012
2	11,452	336	224	336	783	406	13,537	22,672
3	11,927	363	220	353	705	748	14,316	22,954
4	12,968	401	214	377 437	577	658	15,195 15,255	23,333
1978 *1*	13,444	426	211	418	591	509	15,599	23,682
2[6]	14,170	446 333	256	438	591	650	16,551 16,438	25,009
3	14,145	314	258	440	616	674	16,447	24,922
4								

[1] The breaks in series result from further information regarding holdings by sector and changes to the banking and finance houses sectors.
[2] From 2nd quarter 1973 includes identified holdings of dollar certificates of deposit. [3] After deducting 60% item in transit.
[4] Treasury bills, tax reserve certificates, tax deposit accounts, and certificates of tax deposits.
[5] Including refinanceable export and shipbuilding credits with effect from mid-May 1972 and after addiing 40% items in transit.
[6] The break in series for deposits with building societies is due to new returns from building societies.


£ million
Sources of funds
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Overseas
UK capital issues by listed companies (net)
Bank borrowing, other loans and mortgages
Import and other credit received
Internal funds
1974
1975
1976
1977


Uses of funds
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Other (includes unidentified items)
Investment abroad
Liquid assets
Increase in book value of stocks and work in progress
Gross domestic fixed capital formation
Other (-£168m)
1974
1975
1976
1977

Bank lending[1] to UK residents

Seasonally adjusted[2]

£ million

	Lending to public sector			Lending to private sector		
	Total	Sterling	Other currencies[3]	Total	Sterling	Other currencies[3]
Transactions						
1972	−1,026	−1,030	4	6,434	5,511	923
1973	1,995	1,134	861	6,828	5,671	1,157
1974	701	− 370	1,071	4,671	3,734	937
1975	3,363	3,080	283	107	− 387	494
1976	269	− 165	434	3,387	3,128	259
1977	2,513	1,831	682	4,716	3,494	1,222
1974 *3*	− 124	− 224	100	1,504	1,356	148
4	1,041	549	492	328	87	241
1975 *1*	113	− 185	298	190	231	− 41
2[5]	1,334	1,346	− 12	204	− 35	239
3	1,624	1,624	—	− 183	− 432	249
4[4]	292	295	− 3	− 104	− 151	47
1976 *1*	42	25	17	262	326	− 65
2	− 245	− 299	54	711	793	− 82
3	832	674	158	1,170	1,011	159
4	− 168	− 373	205	1,048	801	247
1977 *1*	338	− 165	503	1,259	705	553
2	244	244	—	1,207	1,050	157
3	792	543	249	868	804	64
4	1,155	1,225	− 70	1,368	919	448
1978 *1*	− 119	110	− 229	856	673	182
2	−1,552	−1,312	− 240	2,111	1,650	461
3	− 61	− 1	− 60	1,550	1,238	312
4						

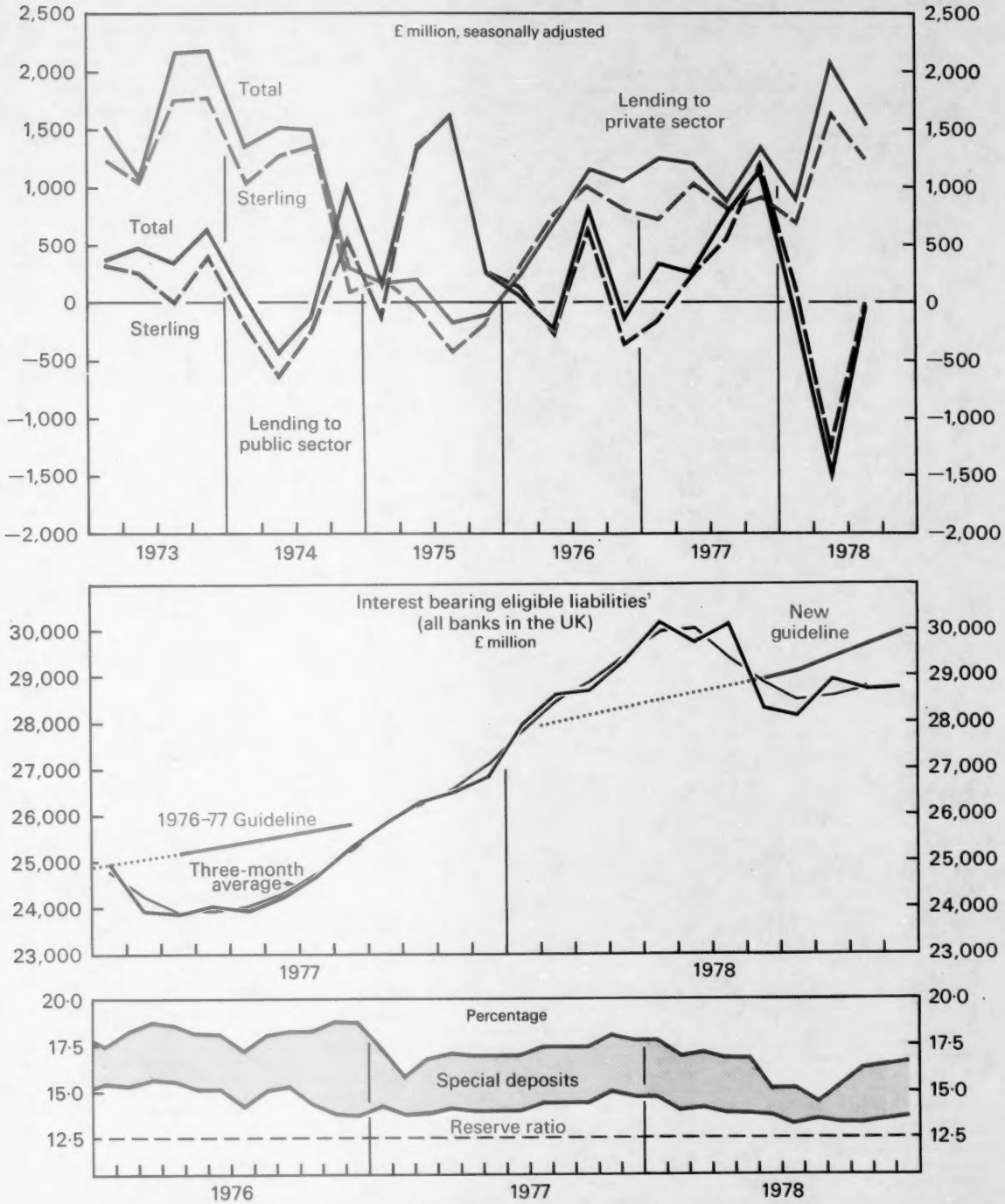
[1] UK banking sector: changes in assets.
[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.
[3] From the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.
[4] Figures have been calculated to exclude the effect of small changes in the number of contributors to the banking statistics.
[5] Figures have been calculated to exclude the effects of the introduction of new statistical returns.

Banks' reserve ratio

Unadjusted

	£ million		Per cent		£ million		£ million		Per cent		£ million
	Eligible liabilities	*of which:* Interest bearing[1]	Reserve ratio	Special deposits[2]	Supplementary deposits[2,3]		Eligible liabilities	*of which:* Interest bearing	Reserve ratio	Special deposits[2]	Supplementary deposits[2,3]
At mid-month							**At mid-month**				
1976 *J*	33,046	22,510†	15·5	2		1977 *J*	37,094	24,672	14·0	3	1
F	33,204	22,928	15·4	3		*A*	37,692	25,319	14·5	3	
M	33,106	22,551	15·8	3		*S*	38,795	25,801	14·5	3	
A	33,907	22,801	15·6	3		*O*	39,709	26,321	14·5	3	
M	33,738	22,745	15·2	3		*N*	40,209	26,495†	15·1	3	
J	34,026	23,111	15·2	3		*D*	40,850†	26,804	14·8	3	
J	34,987	23,766	14·2	3		1978 *J*	41,681	27,989	14·8	3	
A	35,185	23,955	15·1	3		*F*	42,230	28,620	14·0	3	
S	35,796	24,392	15·4	3		*M*	42,565	28,689	14·1	3	
O	36,623	25,216	14·4	4		*A*	43,862	29,367	13·9	3	
N	37,281	26,085	13·9	5		*M*	44,502	30,098	13·9	3	
D	36,878	25,422	13·8	5		*J*	44,359	29,722	13·8	1½	
1977 *J*	36,148	24,996	14·4	3		*J*	45,027	30,170	13·3	2	
F	34,835	23,911	13·8	2		*A*	43,409	28,278	13·5	1	
M	34,978†	23,839	13·9	3		*S*	43,510	28,143	13·4	2	
A	35,844	24,010	14·2	3		*O*[4]	44,841	28,888	13·4	3	
M	35,827	23,943	14·0	3	1	*N*	44,638	28,685	13·5	3	1
J	36,278	24,221	14·0	3	—	*D*	45,003	28,737	13·6	3	2

[1] Banks in Northern Ireland were excluded up to the first figure for May 1975. [2] Not yet applicable to banks in Northern Ireland.
[3] For details of the activation of the supplementary special deposit scheme between November 1976 and August 1977, see the additional notes to Table 3 in the Bank of England Quarterly Bulletin. The scheme was re-introduced in June 1978, but no payments can become due until November 1978.
[4] The addition of National Girobank to this series in October inflated eligible liabilities by £310 million and the reserve ratio by 0·1%; hitherto this bank was outside the normal credit control arrangements.



[1] Supplementary special deposits will have to be paid by banks and deposit-taking finance houses, according to growth in excess of the guideline, at rates of 5 per cent (up to 3 per cent excess), 25 per cent (over 3 and up to 5 per cent excess) and 50 per cent (above 5 per cent excess) of interest-bearing eligible liabilities.

Interest rates, security prices and yields

Percentage rate

	Last Friday						Last working day	Average of working days			
	Bank of England's minimum lending rate to the market[1]	Treasury bill yield[2]	Deposits with local authorities (3 months)[3]	London clearing banks: Base rate	London clearing banks: Deposit account: 7 days' notice[4]	Inter-bank (3-month rate)[5]	Sterling certificates of deposit (3 months)	Euro-dollar 3-month rate	Building Societies Association recommended rate on shares[6]	British government securities 2½% Consols yield	*Financial Times* index of industrial ordinary shares (1 July 1935=100): Price index	Dividend yield	Earnings yield[7]
1968	7	6·89	7¾	7	5	7 13/16 – 8	7⅜ – 7 13/16	7⅛	4·50	7·39	463·3	4·05	4·99
1969	8	7·80	9 – 9 1/16	8	6	9⅜ – 9½	9⅛ – 9¼	11 1/16	5·00	8·88	419·8	4·43	5·82
1970	7	6·93	7¼	7	5	7⅛ – 7¼	7 3/16 – 7 5/16	7 7/16	5·00	9·16	361·0	4·75	6·54
1971	5	4·46	4½ – 4⅝	4½	2½	4⅜ – 4½	4⅜ – 4½	5¾	5·00	9·05	386·2	4·76	6·21
1972	9	8·48	8¾	7½	5¾	8⅞ – 9 1/16	8 15/16 – 9 1/16	5 15/16	5·25	9·11	503·8	3·26	4·98
1973	13	12·82	16 –16⅛	13	9½	16 1/16 –16 5/16	15¾ –16	10⅜	7·50	10·85	435·6	4·12	..
1974	11½	11·30	13¼	12	9½	12½ –12 13/16	12⅜ –12¾	10½	7·50	14·95	251·2	8·23	21·47
1975	11¼	10·93	11¼ –11⅜	11	7	11 1/16 –11 3/16	11 –11⅛	6 1/16	7·00	14·66	311·0	6·81	19·49
1976	14½	13·98	14⅜ –15	14	11	14⅛ –14⅜	14 1/16 –14⅛	5 1/16	7·80	14·25	368·0	5·96	17·61
1977	7		6¾	6¾–7½	3½–4½	6 9/16 – 6¾	6⅝ – 6 7/16	7⅛	6·00	12·32	452·3	5·42	16·50
1978	12½		12⅜ –12½	12½	10	12 7/16 –12⅝	12⅜ –12½	11 3/16	6·70	12·38	482·4	5·98	15·73
1975 *O*	12	11·74	11⅜ –11¾	11	7	11 9/16 –11¾	11 7/16 –11½	6 1/16	7·00	14·90	341·9	6·14	16·88
N	11½	11·30	11⅜ –11 7/16	11	7	11⅛ –11⅜	11 3/16 –11 5/16	7 1/16	7·00	14·79	367·9	5·76	16·02
D	11¼	10·93	11¼ –11⅜	11	7	11 1/16 –11 3/16	11 –11⅛	6 1/16	7·00	14·86	365·8	5·74	15·98
1976 *J*	10	9·52	9⅞ – 9 15/16	10½	6½	9⅜ – 9 11/16	9 7/16 – 9½	5⅜	7·00	13·78	397·0	5·30	14·91
F	9¼	8·80	9 – 9⅛	9½	5½	8⅜ – 8⅝	8 11/16 – 8 13/16	5⅝	7·00	13·54	404·2	5·17	14·99
M	9	8·60	8⅜ – 8¾	9½	5½	8 9/16 – 8 11/16	8 7/16 – 8 9/16	5 7/16	7·00	13·95	404·7	5·12	15·01
A	10½	10·20	10⅛ –10¼	9½	5½	9 13/16 –10 1/16	9⅞ – 9 15/16	5 9/16	7·00	13·97	406·0	5·13	15·17
M	11½	11·31	11¼ –11⅜	10½	6½	11¼ –11 7/16	11 3/16 –11 7/16	6⅜	6·50	13·72	406·6	5·26	15·19
J	11⅓	11·30	11⅛ –11¼	10½	6½	11⅛ –11 7/16	11¼ –11⅜	6 1/16	6·50	14·01	378·6	5·69	16·14
J	11½	11·17	11 3/16–11¼	10½	6½	11 3/16–11¼	11 3/16–11¼	5 13/16	6·50	13·95	383·8	5·74	16·44
A	11½	11·25	11¼ –11¼	10½	6½	11¼ –11 5/16	11 3/16–11¼	5 11/16	6·50	14·11	368·1	6·03	17·55
S	13	12·74	12¾ –12⅞	12	8½	12½ –12¾	12½ –12⅝	5⅝	6·50	14·47	344·0	6·52	19·23
O	15	14·97	15¼ –15½	14	11	15¼ –15⅜	15 3/16–15¼	5 7/16	6·50	15·43	293·6	7·61	23·07
N	14¾	14·54	15 –15¼	14	11	14¾ –14 15/16	14 7/16–14 11/16	5 5/16	7·80	15·22	301·0	7·28	22·66
D	14½	13·98	14¾ –15	14	11	14½ –14⅝	14 7/16–14⅝	5 1/16	7·80	14·82	328·6	6·67	20·91
1977 *J*	12¼	12·09	12⅜ –13⅜†	13	9½	12⅛ –12⅜	12 –12 1/16	5¼	7·80	13·67	374·7	6·01	18·69
F	12	11·06	11⅝	11½	8	11 5/16–11⅜	11⅛ –11 3/16	5 3/16	7·80	13·47	393·8	5·83	18·77
M	10½	9·57	9½ – 9⅝	9½	6½	9⅜ – 9 1/16	9 9/16 – 9⅝	5 3/16	7·80	12·85	418·2	5·39	16·91
A	8¼	7·64	8⅛	9	4½	7 15/16 – 8 1/16	7 1/16 – 7⅛	5 5/16	7·80	12·55	415·1	5·51	16·82
M	8	7·57	7⅜ – 7⅞	8½	4	7 1/16 – 7 1/16	7 1/16 – 7⅛	6 1/16	7·00	12·41	456·7	5·08	15·54
J	8	7·60	7⅞ – 8	8½	4	7⅞ – 8	7¾ – 7 1/16	5 5/16	7·00	12·85	450·5	5·19	15·83
J	8	7·44	7⅜ – 7¾	8½	4	7⅝ – 7 1/16	7 9/16 – 7 11/16	6½	6·70	13·11	443·1	5·37	16·09
A	7	6·52	6⅝ – 6¾	8	4	6⅝ – 6¾	6⅜ – 6 11/16	6⅜	6·70	12·56	478·6	5·23	15·26
S	6	5·37	5 1/16– 5⅞	7	3	5⅞ – 5 1/16	5⅝ – 5 13/16	6 3/16	6·70	11·52	522·8	5·08	14·98
O	5	4·53	4¾ – 5	6	3	4 3/16– 5	4 3/16– 4 5/16	7½	6·70	10·84	511·9	5·26	15·55
N	7	6·53	6¾	6	3	6½ – 7⅛	6⅝ – 6 11/16	7 3/16	6·00	11·04	480·5	5·56	16·72
D	7	6·39	6¾	6¾–7½	3½–4½	6 9/16– 6¾	6⅜ – 6 7/16	7⅛	6·00	10·90	481·6	5·56	16·83
1978 *J*	6½	5·85	6¼ – 6 5/16	6½	3	6 5/16– 6½	6⅜ – 6¼	7 15/16	6·00	10·67	482·3	5·57	16·96
F	6½	6·07	6⅜ – 6¾	6½	3	6⅜ – 6⅞	6⅜ – 6¾	7 1/16	5·50	11·21	457·9	5·85	17·74
M	6½	6·02	6⅜ – 7	6½	3	6 1/16– 7	6 1/16– 6 1/16	7 9/16	5·50	11·18	454·9	5·94	17·51
A	7½	7·12	8 – 8⅛	7½	4	8 3/16– 8½	8⅛ – 8¼	7 15/16	5·50	11·65	460·9	5·85	17·25
M	9	8·67	9¼	9	6	9 5/16– 9 7/16	9 3/16– 9¼	7 15/16	5·50	12·07	476·6	5·58	16·86
J	10	9·49	9⅞ –10 1/16	10	6½–7	10 1/16–10⅜	9 15/16–10 1/16	8 3/16	5·50	12·31	466·1	5·68	16·65
J	10	9·33	10⅛ –10½	10	6½–7	9 13/16–10 3/16	9 13/16– 9 15/16	8 7/16	6·70	12·20	472·2	5·62	17·06
A	10	9·03	9¼ – 9⅜	10	6½–7	9 1/16– 9⅜	9 3/16– 9 5/16	8 5/16	6·70	12·15	508·8	5·28	15·88
S	10	9·38	9⅜ – 9⅝	10	6½–7	9 5/16– 9 7/16	9½ – 9⅝	9 5/16	6·70	12·17	516·0	5·21	15·02
O	10	10·56	10¾ –10⅞	10	6½–7	10¾ –11 1/16	10 11/16–11	11 9/16	6·70	12·42	497·5	5·42	15·09
N	12½	11·91	12 3/16–12¼	12½	10	12 1/16–12¼	12 1/16–12 3/16	11⅝	6·70	12·63	476·9	5·86	15·86
D	12½		12⅜ –12½	12½	10	12 7/16–12⅝	12⅜ –12½	11 3/16	8·00	12·38	482·4	5·98	15·73

[1] Previously known as Bank Rate. From 13 October 1972 to 24 May 1978, the Bank of England's minimum lending rate was normally set ½% higher than the average rate of discount for Treasury bills established at the weekly tender, rounded to the nearest ¼% above. With effect from 25 May 1978 the rate has been determined by administrative decision with changes normally being announced at 12.30 p.m. on Thursdays; a new rate becomes effective, for lending by the Bank, immediately. For changes in Bank Rate 1932–72 see *Supplement of Definitions and Explanatory Notes* to *Monthly Digest of Statistics (HMSO)*.

[2] Average discount rate expressed as the rate at which interest is earned during the life of the bills.

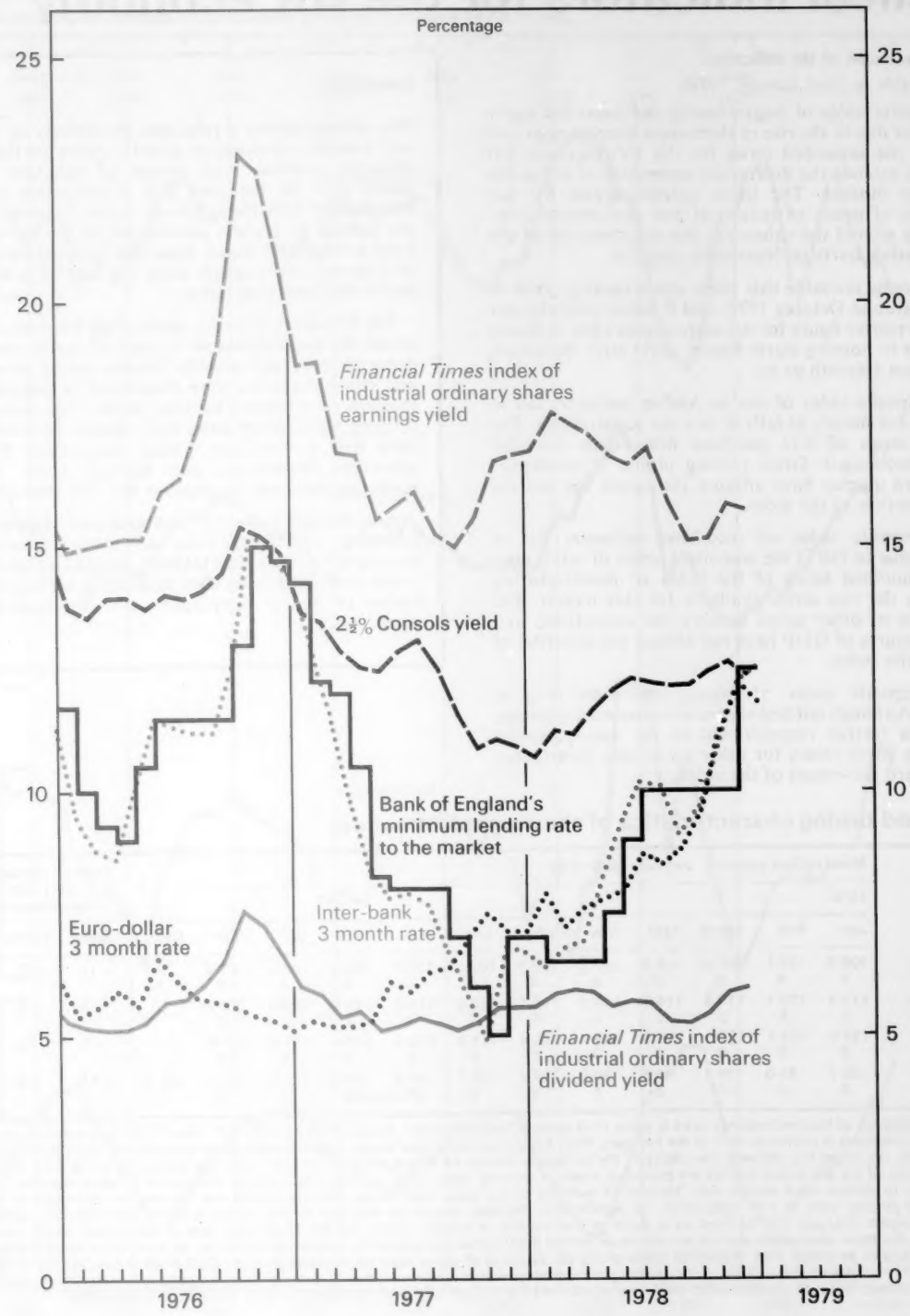
[3] For a minimum term of 3 months and thereafter at 7 days' notice.

[4] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.

[5] Spread of rates over the day in the inter-bank sterling market.

[6] Net of income tax where this is paid by societies at the agreed composite rate.

[7] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Explanatory handbook*. No meaningful average for 1973 is therefore available.


Percentage
25
20
15
10
5
0
Financial Times index of industrial ordinary shares earnings yield
2½% Consols yield
Bank of England's minimum lending rate to the market
Inter-bank 3 month rate
Euro-dollar 3 month rate
Financial Times index of industrial ordinary shares dividend yield
1976
1977
1978
1979

Cyclical indicators for the UK economy

Recent movements of the indicators

(data available to 22nd January 1979)

The composite index of *longer leading indicators* fell again in December due to the rise in short-term interest rates and the fall in the smoothed series for the FT-Actuaries 500 index. This extends the downward movement of the index to fourteen months. The third quarter figures for net acquisitions of assets of industrial and commercial companies have altered the values but not the direction of the index. Housing starts in November also fell.

It now seems probable that there was a turning point in this series around October 1977: and it seems unlikely that the fourth quarter figure for net acquisitions (due in April) or revisions to housing starts figures could alter the timing by more than a month or so.

The composite index of *shorter leading indicators* fell in November due mainly to falls in new car registrations. The smoothed series of hire purchase new credit extended remained unchanged. Gross trading profits of companies for the third quarter have affected the values but not the general direction of the index.

The composite index of *coincident indicators* fell in November due to fall in the smoothed series of retail sales and the smoothed series of the index of manufacturing production, the two series available for this month. The latest values of other series notably the expenditure and income measures of GDP have not altered the direction of the composite index.

The composite index of *lagging indicators* rose in December. Although notified vacancies remained unchanged there was a further improvement in the unemployment figures. The latest values for other series also contributed to the upward movement of the index.

Definitions[1]

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude, and inversion where appropriate.

Values and timing characteristics of the composite indices

	Most recent values[2] January 1975 =100												Lead (−) or lag (+) in months relative to reference cycle dates[3]		
	1978														
	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Mean	Earliest	Latest
Longer leading	108·3	107·1	105·8	104·9	103·8	103·3	103·8	105·1	104·9	103·1	101·0	99·7	−12	−17	−7
	4	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*3*	*3*	*2*			
Shorter leading	113·9	115·1	114·8	114·8	114·3	115·4	118·0	119·8	119·8	119·5	118·3		−5	−9	−1
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*2*	*2*				
Coincident	102·9	103·1	105·3	106·9	109·1	110·3	111·6	112·3	112·1	111·3	110·3		+2	—	+6
	6	*6*	*6*	*6*	*6*	*6*	*6*	*6*	*6*	*3*	*2*				
Lagging	92·7	93·5	94·4	95·6	96·8	97·4	97·7	97·8	98·6	100·0	101·3	102·3	+11	+5	+18
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*2*	*2*	*2*			

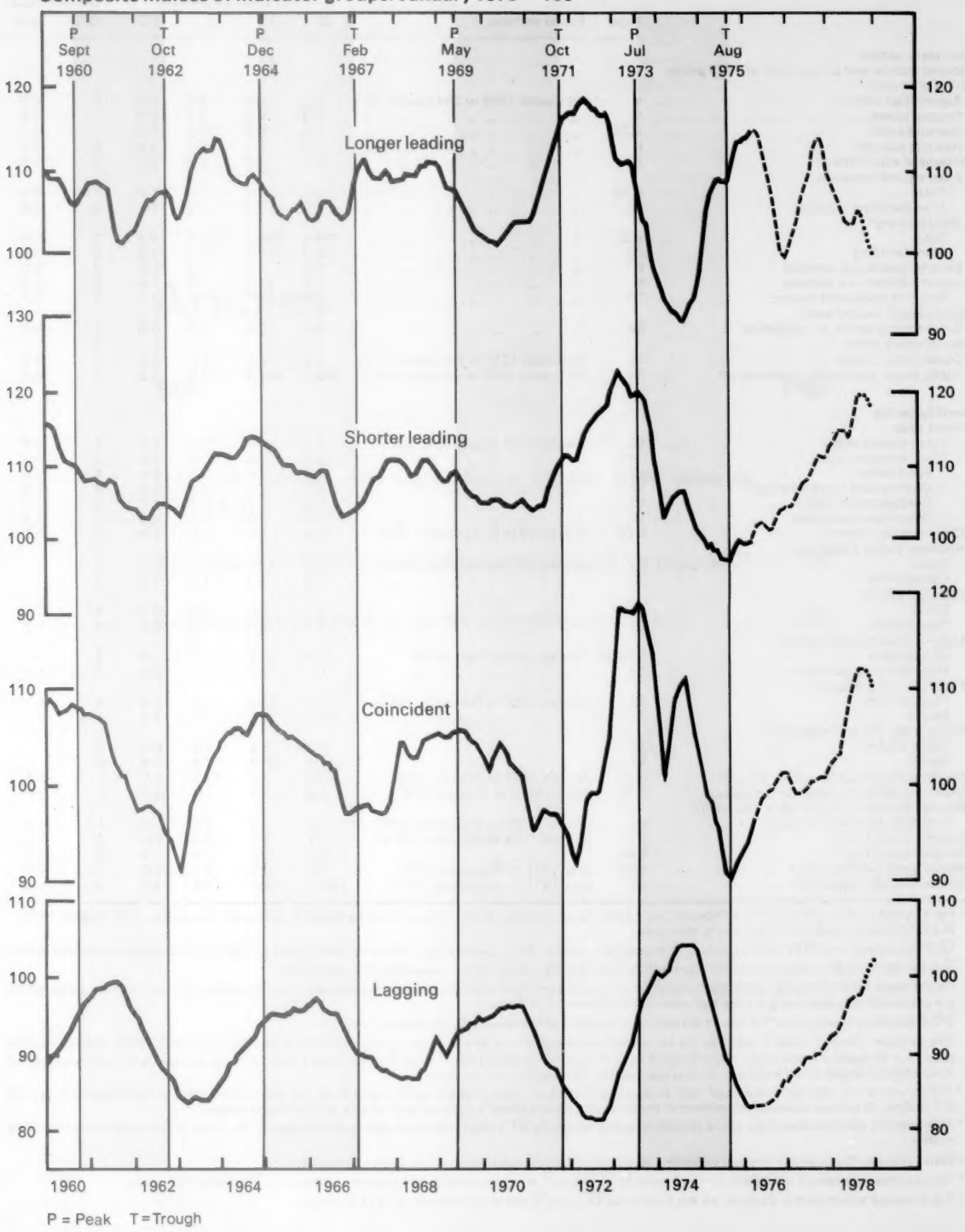
[1] A full explanation of the methodology used is given in *Economic Trends*, No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further eight pages showing individual indicator series.

[2] In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO Press Office. 01-233 6193.

[3] The table incorporates changes to the timing characteristics of series due to revisions to data and the rebasing on 1975 of some series. Further changes may be necessary when all rebased series become available and the current review of the reference cycle chronology is completed.

Cyclical indicators

Composite indices of indicator groups. January 1975 = 100



P = Peak T = Trough

Measures of variability of selected economic series[1]

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1975 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1968 to 2nd quarter 1978	1·3	0·8	0·9	0·9	1	0·9
Income based	6	" " " " " " "	1·4	0·8	1·0	0·9	1	0·9
Output based	6,28	" " " " " " "	1·0	0·6	0·7	0·9	1	0·9
Average estimate	6	" " " " " " "	1·0	0·6	0·8	0·8	1	0·8
Consumers' expenditure	8,10	" " " " " " "	1·1	0·6	0·8	0·8	1	0·8
Fixed capital formation								
Total	8,16	" " " " " " "	2·0	1·6	0·9	1·9	2	0·9
Manufacturing industry	18	" " " " " " "	3·9	2·5	2·4	1·1	2	0·4
Stockbuilding[2]								
Total	8,22	" " " " " " "	*213·4*	*136·2*	*146·1*	0·9	1	0·9
Manufacturing	22	" " " " " " "	*172·4*	*118·2*	*102·9*	1·2	2	0·5
Exports: goods and services	8	" " " " " " "	3·0	2·2	1·9	1·2	2	0·5
Imports: goods and services	8	" " " " " " "	2·9	2·2	1·6	1·4	2	0·5
Personal disposable income	10	" " " " " " "	1·7	1·2	1·2	1·1	2	0·3
Other national income series								
Gross trading profits of companies	58	" " " " " " "	3·6	2·5	3·2	0·8	1	0·8
Other quarterly series								
Construction output	30	1st quarter 1955 to 2nd quarter 1978	2·2	1·3	1·5	0·9	1	0·9
Public sector borrowing requirement[6]	54	1st quarter 1971 to 2nd quarter 1977	*356·0*	*349·0*	*171·0*	2·0	2	0·2
Monthly series								
Retail sales								
Total: current prices	12	January 1961 to December 1977	1·0	0·6	0·7	0·9	1	0·9
Total: constant prices	5,12	" " " " "	0·7	0·6	0·3	2·5	3	0·9
Food shops	12	" " " " "	0·6	0·6	0·2	2·9	4	0·8
Clothing and footwear shops	12	" " " " "	2·0	1·9	0·4	5·6	6	0·9
Durable goods shops	12	" " " " "	1·8	1·7	0·7	2·2	3	0·8
Other non-food shops	12	" " " " "	1·1	1·0	0·3	2·8	3	1·0
Cars: new registrations	5,12	January 1971 to December 1977	7·8	7·4	1·6	4·6	6	0·9
Housing: public authorities[4]								
Starts	20	January 1956 to December 1977	11·7	11·4	1·7	6·7	6	
Completions	20	" " " " "	7·8	7·6	1·1	7·0	6	
Housing; private								
Starts	20	" " " " "	8·3	8·0	2·4	3·4	4	0·9
Completions	20	" " " " "	6·1	6·0	0·9	6·5	6	1·0
Index of industrial production:								
All industries	5,26,28	January 1973 to July 1978	0·9	0·8	0·4	1·9	3	0·9
Manufacturing industries	26	" " " " "	1·2	1·0	0·4	2·5	3	1·0
Passenger car production:								
Home market	32	January 1968 to December 1977	11·9	11·7	2·0	5·9	6	
Export	32	" " " " "	11·2	11·0	0·8	13·8	6	
Commercial vehicle production:								
Home market	32	" " " " "	9·2	8·9	1·4	6·2	6	
Export	32	" " " " "	11·0	10·8	1·5	7·4	6	
Unemployed excluding school-leavers[5]	5,36	January 1961 to January 1978	*13·5*	*4·5*	*12·2*	0·4	1	0·4
Vacancies notified to employment offices[5]	5,36	August 1960 to January 1978	*5·9*	*2·4*	*5·3*	0·5	1	0·5
Average earnings (older series): production industries and some services	40	January 1963 to December 1977	1·0	0·4	0·9	0·5	1	0·5
Exports: value, f.o.b.	5,46	January 1964 to December 1976	3·1	2·7	1·3	2·0	2	0·9
Imports: value, f.o.b.	5,46	" " " " "	2·9	2·6	1·4	1·9	2	0·9
Money stock (sterling M_3)[3]	5,50	July 1971 to December 1977	1·3	0·6	1·2	0·5	1	0·5
Domestic credit expansion[3]	52	July 1971 to September 1977	94·1	73·3	17·9	4·1	5	1·0

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No. 226, August 1972. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3], [5] and [6].

$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

[6] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.

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National income and expenditure in the third quarter of 1978*

Gross Domestic Product

Estimates for the third quarter of 1978 indicate a continued growth in gross domestic product, although the rate of increase was lower than that seen earlier in the year. The output measure, usually regarded as the best indicator of short-term movements in gross domestic product, rose by approaching ½ per cent in the third quarter following a rise of about 2 per cent between the first and second quarters.

Taking a longer view, movements in the average measure indicate that GDP had been rising, albeit fitfully, since the beginning of 1976. In the six months to end-September the average measure was 2½ per cent higher than in the previous six-months and nearly 3½ per cent higher than in the six-months to end-September 1977. Taking account of the various estimates it appears that gross domestic product was growing at an underlying rate of about 4 per cent per year for most of the twelve-month period to the end of the third quarter.

The index of total home costs, the broadest based measure of *domestically* generated inflation, and formed by dividing the constant price expenditure estimate of GDP into the current price estimate, increased by about 2½ per cent between the second and third quarters of 1978. This index was 10 per cent higher in the third quarter than in the corresponding quarter of 1977.

Expenditure (*Table* 1)

The expenditure based measure of GDP at constant 1975 prices rose by about 1 per cent between the second and third quarters of 1978. The main movements contributing to this rise were increases of 2½ per cent in consumers' expenditure and of 3 per cent in the volume of exports. In contrast there was a small fall in the volume of fixed investment whilst general government final consumption and the rate of stockbuilding were unchanged, leading to an

*This article presents quarterly estimates of national income and expenditure up to the third quarter of 1978. Estimates of the components of GDP in constant prices are given here in terms of average 1975 prices.

Provisional summary measures of GDP were first issued on 19 December 1978. The estimates presented here incorporate the estimates of capital expenditure and stockbuilding issued by the Department of Industry in a press notice on 21 December. 1978. These and other revisions were incorporated in the national income and expenditure press notice issued on 10 January 1979.

Many of the component series of GDP(E) and GDP(O) are derived at constant 1975 prices by revaluing current price data. When prices are changing rapidly the problems associated with this revaluation become acute. For this reason, the estimates for periods since about the end of 1973 should be regarded as subject to wider margins of error than in earlier years.

A general description of national income statistics, together with details of sources, methods and definitions used, is given in *National Accounts Statistics: Sources and Methods* (HMSO, 1968). Subsequent changes are described in the notes to the 1978 Blue Book.

All commentary is in terms of seasonally adjusted data.

Gross domestic product at factor cost, total home costs, and national disposable income revalued at constant market prices[1]

Seasonally adjusted

Index numbers, 1975 =100

	Gross domestic product							
	At current prices		At 1975 prices					
	Based on expenditure data	Based on income data	Based on expenditure data	Based on income data[2]	Based on output data	Average estimate	Implied index of total home costs	National disposable income at 1975 market prices
1976	118·4	117·6	103·6	103·0	102·2	102·9	114·2	102·8
1977	133·4	133·0	105·1	104·8	104·7	104·9	126·8	103·9
1976 *1*	112·2	109·8	103·0	100·8	101·0	101·6	108·9	..
2	115·8	116·3	102·9	103·4	101·7	102·7	112·5	..
3	120·4	120·2	104·0	103·9	101·9	103·3	115·7	..
4	125·1	124·3	104·5	103·8	103·9	104·0	119·8	..
1977 *1*	126·2	126·7	103·2	103·6	104·5	103·8	122·2	..
2	130·2	131·6	104·5	105·6	104·3	104·8	124·7	..
3	136·7	134·9	105·8	104·4	104·9	105·0	129·1	..
4	140·5	138·7	107·0	105·6	105·2	105·9	131·4	..
1978 *1*	144·6	142·4	106·9	105·3	106·1	106·1	135·3	..
2	149·9	148·8	108·3	107·5	108·3	108·0	138·4	..
3	155·7	154·5	109·5	108·6	108·6	108·9	142·2	..
1976 1st half	114·0	113·0	102·9	102·1	101·3	102·1	110·7	102·4
2nd half	122·7	122·2	104·2	103·8	102·9	103·6	117·7	103·2
1977 1st half	128·2	129·1	103·8	104·6	104·4	104·3	123·4	102·7
2nd half	138·6	136·8	106·4	105·0	105·0	105·4	130·2	105·0
1978 1st half	147·2	145·6	107·6	106·4	107·2	107·0	136·8	107·0

[1] These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Income data deflated by the index of total home costs derived from expenditure data.
[3] Half yearly estimates only.

increase of nearly 2 per cent in total final expenditure. With an increase of 4½ per cent in the volume of imports, however, the growth in gross domestic product at 1 per cent was somewhat less than the growth in total final expenditure.

Over a longer term, taking the second and third quarters of 1978 together and comparing them with the same two quarters of 1977, GDP(E) rose by about 3½ per cent with a slightly higher rise in total final expenditure of 4 per cent being partly offset by a rise of 5 per cent in imports. Over this period some two thirds of the increase in final demand was due to consumers' expenditure, which rose 6 per cent in volume terms. Most of the rest of the increase was in stockbuilding with only small increases in the other categories of final demand.

Factor incomes (Table 2)

Total domestic income rose 3 per cent between the second and third quarters of 1978. Income from employment, the largest component, increased by 2 per cent, compared with the increase of 5½ per cent recorded between the first and second quarters. Gross trading profits of companies before stock appreciation and the gross trading surplus of public corporations also contributed to the increase.

Output (Table 3)

The output measure of GDP rose slightly, by nearly ½ per cent, between the second and third quarters of 1978, following a much sharper rise of 2 per cent between the first and second quarters. The rise between the first and second quarters was concentrated mainly within the industrial production sector, and this sector fell back slightly in the third quarter although it was still some 4½ per cent higher than in the third quarter of 1977. There was growth between the second and third quarters in agriculture, mining and quarrying (due in part to increased production of North Sea oil) and in transport and communication and the distributive trades.

Over the year to the third quarter, the output measure increased by 3½ per cent, with increases of 4½ per cent in industrial production (although of only 2 per cent in manufacturing) and about 5 per cent in transport and communication and the distributive trades. Over this period increased activity of the North Sea oil and gas industry increased the growth in total output by ½ per cent.

Personal income, expenditure and saving (Tables 4 and 13)

Wages and salaries rose by over 2 per cent in the third quarter, following a much sharper rise of 5½ per cent between the first and second quarters. This was largely a reflection of the pattern of pay settlements, where in the last year or so settlements have been delayed to later in the 'pay round'. In the third quarter wages and salaries were 14½ per cent higher than in the corresponding quarter of 1977.

In relation to salaries and wages, employers' contributions to the National Insurance Scheme and to private pension funds rose slightly starting from the second quarter, with the introduction of the new state pension scheme. Other personal income is estimated to be little changed between the second and third quarters with a fall in the receipts of rent dividends and net interest offsetting a rise in self-employment income. Total personal income before tax is estimated to have risen by about 2 per cent between the second and third quarters to be about 14½ per cent higher than in the third quarter of 1977.

Payments of taxes on income by the personal sector fell in the third quarter. The 25 per cent lower-rate tax band was implemented in July and the third quarter figure also includes the effect of rebates in respect of the second quarter. Reduced tax payments meant that the rise in total disposable income in the third quarter was 3 per cent, somewhat higher than the rise in pre-tax incomes.

Real personal disposable income, obtained by revaluing personal disposable income by the implied price deflator of consumers' expenditure, rose by about ½ per cent between the second and third quarters following a sharp rise of 4 per cent in the previous quarter. Real personal disposable income in the third quarter was about 8½ per cent higher than in the third quarter of 1977. Most of this increase was due to the fact that pre-tax incomes rose much faster than the prices paid by consumers over this period, with perhaps one quarter of the rise due to decreased levels of personal taxation.

The volume of consumers' expenditure increased by about 2½ per cent in the third quarter to exceed the previous peak value for this series recorded in the first quarter of 1973. Although many of the component series of consumer's expenditure display some volatility, it is clear that the volume of spending has been on an upward trend, with an increase of 6½ per cent in the year to the third quarter of 1978. Increases in volume terms have been most marked in wines and spirits (up 13 per cent on the year), tobacco (10 per cent), clothing and footwear (11 per cent) and durable goods (18 per cent), with an especially sharp rise in cars and motor cycles (in the first three-quarters of 1978 the volume of spending is estimated to be 25 per cent higher than in the corresponding quarters of 1977).

In current price terms, consumers' expenditure rose 5 per cent between the second and third quarters, somewhat more than the rise in disposable income. This implied a fall in the saving ratio from 16 per cent in the second quarter to 14 per cent in the third quarter. Taking the first three quarters for 1978 together, the average saving ratio is very much in line with the values recorded over the last four years.

Industrial and commercial companies sector (Table 6)

Gross trading profits of industrial and commercial companies (before deducting depreciation and stock appreciation and before deduction of interest payments) were 11 per cent higher in the six months to end-September compared with the previous six months. Stock appreciation, which had declined sharply throughout 1977, rose in the middle quarters of 1978, largely due to the decline in the sterling exchange rate between the first and second quarters, leaving profits net of stock appreciation rising by 5½ per cent over the same six-monthly period.

The importance of the industries involved in the exploration for and extraction of petroleum and natural gas in the industrial and commercial companies sector can be seen from the table below.

Gross trading profits of industrial and commercial companies: net of stock appreciation

Seasonally adjusted
£ million

	1976	1977	1977				1978		
			1	2	3	4	1	2	3
Gross trading profits of North Sea Oil and Gas (MLH 104)	459	1,715	401	452	435	427	524	592	538
Gross trading profits excluding North Sea Oil and Gas	9,003	11,187	2,483	2,775	2,865	3,064	3,182	3,013	3,448
Total	9,462	12,902	2,884	3,227	3,300	3,491	3,706	3,605	3,986

Profits from North Sea operations rose strongly in the first half of the year but declined in the third quarter. Production of oil rose throughout the first three quarters of 1978, but the price of oil, being fixed in dollar terms, declined with the dollar in the third quarter. In sterling terms the average price per tonne of crude oil declined 12½ per cent between the third quarter of 1977 and the third quarter of 1978. In the first three quarters of 1978, North Sea profits were nearly 30 per cent higher than in the corresponding quarters of 1977, and North Sea profits formed some 15 per cent of total industrial and commercial companies profits. (*Note:* profits here are before interest and depreciation but after stock appreciation – which for the North Sea is small – and also after accounting for exploration expenditure).

For the rest of the industrial and commercial company sector profits net of stock appreciation are thought to have risen strongly in the third quarter. In the six-months to end-September they were some 15 per cent higher than in the same six months of 1977.

Of the other items in the appropriation account of industrial and commercial companies both payments to and receipts from financial institutions of dividends, interest, etc. rose throughout 1978 with the general rise in interest rates. The total income of industrial and commercial companies, which had fallen throughout 1977, rose in each of the first three quarters of 1978, with the income for the six-months to end-September some 10 per cent higher than in the same six months of 1977.

Financial companies and institutions (Table 7)

The total income of financial companies and institutions rose strongly in the first three quarters of 1978. In the third quarter of 1978 total income is estimated to have been 25 per cent higher than in the same quarter of 1977. There was a marked rise in the rent and non-trading income of the banking sector during the second quarter in response to the rise in short-term interest rates and this increased income continued in the third quarter as interest rates continued at the higher levels. Building society receipts and payments of interest rose only in the third quarter, however, with receipts and payments both rising about 16 per cent; interest rates to borrowers and lenders both rose at the beginning of the third quarter. Income (net of taxes) from abroad also rose sharply in the year to the third quarter, with a rise of about 50 per cent between the third quarter of 1977 and the third quarter of 1978.

Public corporations (Table 8)

The gross trading surplus of public corporations (before allowing for depreciation and stock appreciation) rose by nearly 7 per cent in the third quarter compared with the second and showed an increase of around 2 per cent on the previous peak level reached in the third quarter of 1977. The gross trading surplus continues to reflect the high profits reported by the Post Office and energy industries contrasting with the losses recorded by British Steel.

Central government (Table 9)

Total central government receipts fell slightly in the third quarter of 1978. Receipts of taxes on income were £300 million lower with the introduction of the lower rate personal income tax band. Receipts of taxes on expenditure increased in the third quarter, mainly due to increased receipts of duty on wines and spirits and of VAT. National Insurance contributions rose slightly following a fall between the first and second quarters.

Total current expenditure rose by about 1 per cent in the third quarter. There was a rise in National Health Service expenditure because of a pay award and in current grants, other than national insurance, to the personal sector.

In constant 1975 prices, central government final consumption was very little changed in the third quarter with a small rise in NHS consumption offset elsewhere. Total central government final consumption at constant prices has shown very little change since the end of 1975.

Local authorities (Table 10)

Total income of local authorities decreased about 2½ per cent in the third quarter of 1978, mostly due to lower receipts of current grants from central government – the timing of these payments has been erratic in recent years. In the first half of the financial year total income of local authorities was 7 per cent higher than in the corresponding first half of 1977/78, with rate receipts up 6 per cent over the same period.

Total current expenditure was little changed in the third quarter, with some increase due to pay settlements being offset by a fall in debt interest. In constant 1975 prices, the volume of local authority spending on goods and services has been increasing slightly in 1978, the total volume of spending in the six-months to the end of the third quarter being some 2 per cent higher than in the corresponding period of 1977.

International transactions (Table 11)

In constant 1975 prices, exports of goods and services increased by 3 per cent in the third quarter of 1978 following a ½ per cent rise in the previous quarter. Whilst the volume of exports of goods continued to rise, exports of services recovered from the low second quarter figure to a level roughly equal to the average level recorded in 1977.

The volume of imports of goods and services increased by 4½ per cent between the second and third quarters to a level 2 per cent higher than the first quarter. The volume of imports of goods rose by 5 per cent, from an erratically low figure in the second quarter while the volume of imports of services continued its steady increase, rising by 2½ per cent in the third quarter. Although erratic, the volume of imports of goods and services has been rising since 1976, and, in particular, the volume of imports of finished manufactures has been growing sharply. Excluding erratic items this series has increased 17½ per cent between the third quarter of 1978 and a year earlier following a 14 per cent increase in the previous year.

On the balance of payments current account, there was a deficit of £26 million in current prices in the third quarter compared with a surplus of £126 million in the previous quarter. The deterioration arose mainly from fluctuations in the deficit on visible trade, which increased by £160 million between the two quarters.

The balance of the erratic trade in ships, North Sea production installations, aircraft and precious stones moved adversely by £200 million between the second and third quarters, in addition to which the balance of trade in oil deteriorated by £120 million over the same period. The balance of trade in other goods partially offset these factors, improving by nearly £160 million between the two quarters.

The surplus on services recovered to the level recorded in the first quarter, with all but the travel account improving from the net transactions recorded in the second quarter. The increase in government transfers abroad continues to reflect the erratic nature of contributions to the EEC.

Gross domestic fixed capital formation (Table 14)

The total volume of fixed investment was about ½ per cent lower in the third quarter, with small falls in the private and the public corporations sectors partly offset by a rise in general government investment. Total fixed investment in the first three quarters of 1978 was about 2 per cent more than in the corresponding period of 1977.

The rise in general government fixed investment should be seen in the context of a very rapid fall over the last few years, however, with nearly all of the fall coming from the non-housing sector. The volume of general government non-housing fixed investment in the first three quarters of 1978 was running at something like 45 per cent of the values recorded in the peak year of 1973. Private sector investment, despite the small fall in the third quarter, was almost 10 per cent higher in the first three quarters of 1978 than in the same period of 1977.

By type of asset, plant and machinery investment in the third quarter continued the steady rise seen since the beginning of 1977, the third quarter of 1978 being some 7 per cent higher than the corresponding quarter of 1977. Investment in vehicles, ships and aircraft in the first three quarters of 1978 was running at about the same level as in 1977, with a notable feature being the very low level of investment in ships. Investment in housing in the first three quarters of 1978 has been flat in both the public and the private sectors and at levels slightly below those recorded in 1977.

The analysis by industry of fixed investment for the third quarter is mixed. Over the longer term two interesting features are the continuing rise, since the beginning of 1976, in manufacturing investment, and the lack of any further rise in the volume of investment by the petroleum and natural gas industry (which includes North Sea Oil).

Value of the physical increase in stocks and work-in-progress (Table 16)

Revised estimates suggest that stockbuilding was at a level, in constant 1975 prices, of around £450 million a quarter in each of the first three quarters of 1978. Movements within the total are very volatile on a quarterly basis but all sectors showed some increase. There were large increases in stocks of the food, drink and tobacco industry and the engineering industry, equivalent to about 2 per cent and 1½ per cent respectively of opening levels. Other industry groups showed only small changes.

Revisions

Since the publication of *Economic Trends,* October 1978, there have been a number of revisions to the series there presented. The most important of these are to exports of services, which have been revised, mostly upwards, in volume terms in 1974 and from the first quarter of 1976, and to stockbuilding where there has been a substantial upward revision to the stockbuilding of 'other' industries in the first quarter of 1978.

Book value of stocks and work in progress (Table 16)

Revised estimates for the total book value of stocks and work in progress held by manufacturing industries, and by all industries, were shown in the October 1978 issue of *Economic Trends.* Detailed figures consistent with the revised estimates to replace the book values published in the Blue Book, *National Income and Expenditure 1967–1977,* tables 12.1 and 12.4 are available on request from the Central Statistical Office, telephone 01–233 7531.

Central Statistical Office

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*The tables show annual figures from 1973 and quarterly figures from 1976.

APPENDIX

Expenditure on the gross domestic product

TABLE 1

£ million

	Gross domestic product at factor cost[1]	Final expenditure on goods and services at market prices: Total (Unadjusted)	Total (Seasonally adjusted)	Consumers' expenditure	Current expenditure of general government	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Exports of goods and services	Imports of goods and services	Taxes on expenditure	Subsidies
At current prices											
1973	63,946	91,591		45,187	13,327	14,149	1,724[2]	17,204	18,965	10,122	1,442
1974	73,722	109,606		51,863	16,564	16,916	1,285	22,978	27,410	11,470	2,996
1975	92,507	131,957		63,192	22,930	20,817	−1,925	26,943	29,028	14,162	3,740
1976	109,499	159,351		73,538	26,611	23,669	365	35,168	36,775	16,549	3,472
1977	123,408	182,873		83,530	29,121	25,429	1,288	43,505	42,358	20,440	3,333
1976 *1*	25,666	36,394	37,017	16,651	6,406	5,915	−308	7,730	7,839	3,702	813
2	26,140	38,398	38,883	17,722	6,594	5,464	− 12	8,630	9,170	4,038	950
3	27,716	40,612	40,787	18,642	6,709	5,966	289	9,006	9,568	4,197	869
4	29,977	43,947	42,664	20,523	6,902	6,324	396	9,802	10,198	4,612	840
1977 *1*	28,796	42,551	43,376	19,071	6,992	6,097	334	10,057	10,400	4,213	858
2	29,532	44,703	45,191	20,160	7,224	5,979	469	10,871	10,902	5,117	848
3	31,320	46,595	46,842	21,325	7,384	6,395	25	11,466	10,719	5,353	797
4	33,760	49,024	47,464	22,974	7,521	6,958	460	11,111	10,337	5,757	830
1978 *1*	32,920	48,162	49,312	21,938	7,968	6,948	443	10,865	10,930	5,147	835
2	34,089	50,470	50,709	22,969	7,996	6,684	714	12,107	11,598	5,665	882
3	35,873	52,541	52,767	24,552	8,193	7,151	724	11,921	11,684	5,909	925
Revalued at 1975 prices										Adjustment to factor cost[3]	
1973	95,686	137,662		65,497	21,426	21,609	2,983	26,147	31,043	10,933	
1974	94,220	136,170		64,070	21,746	21,164	1,462	27,728	31,329	10,621	
1975	92,507	131,957		63,192	22,930	20,817	−1,925	26,943	29,028	10,422	
1976	95,838	136,850		63,320	23,416	20,489	261	29,364	30,183	10,829	
1977	97,251	138,325		62,732	23,315	19,738	1,051	31,489	30,276	10,798	
Unadjusted											
1976 *1*	23,431	33,034		15,026	5,922	5,328	−260	7,018	7,137	2,466	
2	23,225	33,569		15,506	5,863	4,818	− 7	7,389	7,715	2,629	
3	24,027	34,412		15,917	5,795	5,121	219	7,360	7,684	2,701	
4	25,155	35,835		16,871	5,836	5,222	309	7,597	7,647	3,033	
1977 *1*	23,402	33,492		14,931	5,861	4,911	254	7,535	7,580	2,510	
2	23,637	34,002		15,195	5,809	4,714	379	7,905	7,789	2,576	
3	24,347	34,655		15,791	5,771	4,910	− 3	8,186	7,579	2,729	
4	25,865	36,176		16,815	5,874	5,203	421	7,863	7,328	2,983	
1978 *1*	24,071	34,568		15,611	5,983	5,056	319	7,599	7,808	2,689	
2	24,606	35,421		16,007	5,890	4,784	496	8,244	8,063	2,752	
3	25,286	36,237		16,889	5,853	4,987	468	8,040	8,106	2,845	
Seasonally adjusted											
1976 *1*	23,809	33,716		15,724	5,857	5,187	−125	7,073	7,251	2,656	
2	23,809	34,084		15,785	5,893	5,137	− 17	7,286	7,568	2,707	
3	24,060	34,484		15,884	5,839	5,168	189	7,404	7,721	2,703	
4	24,160	34,566		15,927	5,827	4,997	214	7,601	7,643	2,763	
1977 *1*	23,872	34,290		15,619	5,771	4,794	422	7,664	7,722	2,696	
2	24,158	34,494		15,495	5,841	5,025	354	7,779	7,697	2,639	
3	24,480	34,737		15,777	5,827	4,965	6	8,162	7,531	2,726	
4	24,741	34,804		15,841	5,876	4,954	249	7,884	7,326	2,737	
1978 *1*	24,711	35,581		16,311	5,907	5,030	460	7,873	8,026	2,844	
2	25,041	35,689		16,370	5,907	5,056	432	7,924	7,816	2,832	
3	25,327	36,354		16,810	5,909	5,029	434	8,172	8,181	2,846	

[1] Equals total final expenditure on goods and services at market prices *less* imports of goods and services *less* adjustment to factor cost. Estimates of the gross domestic product at constant factor cost based on statistics of output and income are given in Table 3, and in the text of the article.

[2] The current price estimates for the second quarter of 1973 include a fall in the book value of stocks of £280 million reflecting tax rebated on the introduction of VAT; the rebate is also included as a deduction from taxes on expenditure and the estimate of gross domestic product at factor cost is thus not affected.

[3] This represents taxes on expenditure *less* subsidies valued at constant rates.

Factor incomes in the gross national product

TABLE 2

£ million

	Gross national product		Net property income from abroad	Gross domestic product at factor cost	Factor incomes						*less* Stock appreciation	Residual error
	At market prices	At factor cost			Total domestic income[1]	Income from employment[2]	Gross trading profits of companies	Gross trading surplus of public corporations[1]	Gross trading surplus of general government enterprises[1]	Other income[3]		
1973	73,846	65,166	1,220	63,946	66,295	43,564	8,932	2,063	139	11,597	−2,994	645
1974	83,478	75,004	1,282	73,722	78,722	52,783	9,508	2,558	148	13,725	−6,205	1,205
1975	103,692	93,270	763	92,507	97,472	68,289	9,762	3,093	177	16,151	−5,520	555
1976	123,891	110,814	1,315	109,499	114,812	78,233	12,499	4,502	159	19,419	−6,625	1,312
1977	140,999	123,892	484	123,408	127,587	85,839	14,813	5,035	194	21,706	−5,317	1,138
Unadjusted												
1976 *1*	28,814	25,925	259	25,666	26,538	18,439	2,541	1,023	30	4,505	−1,472	600
2	29,548	26,460	320	26,140	28,223	19,334	3,074	1,039	34	4,742	−1,564	−519
3	31,427	28,099	383	27,716	28,857	19,995	2,883	976	57	4,946	−1,666	525
4	34,102	30,330	353	29,977	31,194	20,465	4,001	1,464	38	5,226	−1,923	706
1977 *1*	32,321	28,966	170	28,796	31,171	20,604	3,956	1,405	51	5,155	−2,072	−303
2	33,835	29,566	34	29,532	31,248	21,214	3,554	1,135	49	5,296	−1,302	−414
3	36,050	31,494	174	31,320	32,011	21,661	3,712	1,095	64	5,479	−1,137	446
4	38,793	33,866	106	33,760	33,157	22,360	3,591	1,400	30	5,776	− 806	1,409
1978 *1*	37,383	33,071	151	32,920	33,537	22,772	3,738	1,359	54	5,614	− 831	214
2	38,991	34,208	119	34,089	35,076	24,142	3,797	1,181	55	5,901	−1,214	227
3	41,104	36,120	247	35,873	36,499	24,776	4,330	1,149	53	6,191	−1,013	387
Seasonally adjusted												
1976 *1*	29,330	26,218	279	25,939	26,710	18,593	2,535	996	30	4,556	−1,472	701
2	30,218	27,111	333	26,778	28,296	19,341	3,043	1,118	34	4,760	−1,564	46
3	31,533	28,196	360	27,836	29,300	19,946	3,186	1,156	57	4,955	−1,666	202
4	32,810	29,289	343	28,946	30,506	20,353	3,735	1,232	38	5,148	−1,923	363
1977 *1*	32,947	29,341	159	29,182	31,199	20,725	3,913	1,296	51	5,214	−2,072	55
2	34,497	30,204	86	30,118	31,566	21,235	3,717	1,248	49	5,317	−1,302	−146
3	36,315	31,737	130	31,607	32,140	21,604	3,632	1,351	64	5,489	−1,137	604
4	37,240	32,610	109	32,501	32,682	22,275	3,551	1,140	30	5,686	− 806	625
1978 *1*	38,190	33,560	122	33,438	33,576	22,897	3,688	1,262	54	5,675	− 831	693
2	39,649	34,858	189	34,669	35,430	24,166	3,997	1,289	55	5,923	−1,214	453
3	41,178	36,200	186	36,014	36,522	24,712	4,180	1,377	53	6,200	−1,013	505

[1] Before providing for depreciation and stock appreciation.
[2] Wages and salaries, forces' pay and employers' contributions.
[3] Income from rent and self-employment and the imputed charge for consumption of non-trading capital.

Index numbers of output at constant factor cost

TABLE 3

1975 = 100

	Gross domestic product[1,2,3]	Agriculture, forestry and fishing	Industrial production					Transport and communication	Distributive trades	Other services
			Total[2]	Mining and quarrying[4]	Manufacturing[2]	Construction[4]	Gas, electricity and water[4]			
1975 weights	*1,000*	*28*	*407*	*17*	*283*	*74*	*33*	*88*	*101*	*376*
1973	103·8	109	110·1	110·2	109·2	118·2	99·3	101	106	97
1974	101·9	110	105·7	90·0	107·3	105·8	99·2	101	103	97
1975	100·0	100	100·0	100·0	100·0	100·0	100·0	100	100	100
1976	102·2	93	102·5	125·7	102·2	98·5	102·9	99	101	103
1977	104·7	111	106·5	187·6	103·9	98·0	107·0	102	99	104
Seasonally adjusted										
1976 *1*	101·0	93	100·8	109·7	100·2	100·2	103·7	98	101	103
2	101·7	89	101·9	121·1	101·8	97·7	102·7	98	101	104
3	101·9	90	102·0	125·8	102·3	96·4	100·2	99	102	103
4	103·9	97	105·4	146·2	104·5	99·8	104·9	101	101	104
1977 *1*	104·5	106	106·4	174·1	105·1	96·1	106·5	102	100	104
2	104·3	111	106·3	191·1	103·5	96·6	108·9	101	98	104
3	104·9	114	106·7	190·6	103·8	98·5	107·6	102	100	104
4	105·2	114	106·6	194·7	103·1	100·7	105·2	102	100	105
1978 *1*	106·1	115	107·4	208·8	102·8	101·5	108·3	104	102	106
2	108·3	116	112·0	230·9	106·3	106·8	112·4	105	103	106
3	108·6	117	111·5	237·0	105·8	105·9	109·5	107	106	106

[1] Alternative estimates of the gross domestic product are given in the text of the article and in Table 1.

[2] The figures are adjusted to allow for the use of delivery rather than production indicators to represent output in certain industries within manufacturing. An analysis of industrial production is given on page 26, but will differ from the series shown here because the adjustment included is not available monthly. There may also be differences because page 26 includes the latest information.

[3] Total output other than exploration for, and extraction of, petroleum and natural gas (MLH 104) is as follows:

1976 *1*	100·8	1977 *1*	103·1	1978 *1*	104·1
2	101·3	*2*	102·6	*2*	106·0
3	101·4	*3*	103·2	*3*	106·2
4	103·0	*4*	103·4		

[4] This series may not be fully consistent with that shown on page 26 which includes the latest information.

Personal income, expenditure and saving

TABLE 4

£ million

	Personal income before tax													
	Total[1]	Wages and salaries	Forces' pay	Employers' contributions[2]	Current grants from general government[3]	Other personal income[4, 5]	Transfers abroad (net)	UK taxes on income (payments)[6]	National insurance, etc. contributions	Total personal disposable income[7, 8]	Consumers' expenditure	Balance: personal saving[8, 9]		Personal disposable income at 1975 prices[10]
1973	63,120	38,018	925	4,621	6,420	13,136	99	7,781	3,937	51,303	45,187	6,116	*11·9*	74,362
1974	76,165	45,916	1,071	5,796	7,875	15,507	121	10,430	5,000	60,614	51,863	8,751	*14·4*	74,881
1975	96,457	58,974	1,283	8,032	10,283	17,885	154	15,099	6,843	74,361	63,192	11,169	*15·0*	74,361
1976	112,216	66,932	1,473	9,828	12,763	21,220	53	17,589	8,419	86,155	73,538	12,617	*14·6*	74,184
1977	125,178	73,523	1,500	10,816	15,100	24,239	114	18,264	9,453	97,347	83,530	13,817	*14·2*	73,109
Unadjusted														
1976 *1*	26,661	15,845	354	2,240	3,079	5,143	33	4,520	1,853	20,255	16,651	3,604	*17·8*	18,257
2	27,432	16,538	351	2,445	3,139	4,959	7	4,365	2,132	20,928	17,722	3,206	*15·3*	18,290
3	28,786	17,073	390	2,532	3,171	5,620	5	4,177	2,192	22,412	18,642	3,770	*16·8*	19,113
4	29,337	17,476	378	2,611	3,374	5,498	8	4,527	2,242	22,560	20,523	2,037	*9·1*	18,524
1977 *1*	30,011	17,625	355	2,624	3,548	5,859	29	4,984	2,250	22,748	19,071	3,677	*16·2*	17,803
2	30,571	18,174	361	2,679	3,733	5,624	12	4,544	2,354	23,661	20,160	3,501	*14·8*	17,827
3	31,790	18,540	406	2,715	3,783	6,346	25	4,583	2,384	24,798	21,325	3,473	*14·0*	18,355
4	32,806	19,184	378	2,798	4,036	6,410	48	4,153	2,465	26,140	22,974	3,166	*12·1*	19,124
1978 *1*	33,574	19,523	385	2,864	4,203	6,599	95	5,089	2,510	25,880	21,938	3,942	*15·2*	18,416
2	35,042	20,684	420	3,038	4,447	6,453	64	5,036	2,428	27,514	22,969	4,545	*16·5*	19,174
3	36,308	21,242	413	3,121	4,399	7,133	70	4,791	2,491	28,956	24,552	4,404	*15·2*	19,918
Seasonally adjusted														
1976 *1*	26,832	15,999	354	2,240	3,075	5,164	33	4,351	1,853	20,595	17,381	3,214	*15·6*	18,625
2	27,587	16,545	351	2,445	3,099	5,147	7	4,477	2,132	20,971	17,966	3,005	*14·3*	18,419
3	28,495	17,024	390	2,532	3,201	5,348	5	4,113	2,192	22,185	18,677	3,508	*15·8*	18,861
4	29,302	17,364	378	2,611	3,388	5,561	8	4,648	2,242	22,404	19,514	2,890	*12·9*	18,279
1977 *1*	30,176	17,746	355	2,624	3,558	5,893	29	4,782	2,250	23,115	19,859	3,256	*14·1*	18,183
2	30,775	18,195	361	2,679	3,698	5,842	12	4,708	2,354	23,701	20,454	3,247	*13·7*	17,957
3	31,446	18,483	406	2,715	3,788	6,054	25	4,503	2,384	24,534	21,421	3,113	*12·7*	18,072
4	32,781	19,099	378	2,798	4,056	6,450	48	4,271	2,465	25,997	21,796	4,201	*16·1*	18,897
1978 *1*	33,488	19,648	385	2,864	4,172	6,419	95	4,817	2,510	26,066	22,781	3,285	*12·6*	18,663
2	35,297	20,708	420	3,038	4,351	6,780	64	5,076	2,428	27,729	23,341	4,388	*15·8*	19,447
3	35,879	21,178	413	3,121	4,424	6,743	70	4,761	2,491	28,557	24,508	4,049	*14·2*	19,587

[1] Before providing for depreciation and stock appreciation.
[2] Employers' contributions to national insurance, etc. and pension funds.
[3] National insurance benefits, family allowances, assistance grants, war pensions and service grants, etc.
[4] Income from rent and self-employment, before providing for depreciation and stock appreciation, dividend and net interest receipts, transfers to charities from companies and an imputed charge for the capital consumption of private, non-profit-making bodies.
[5] From the second quarter of 1973 includes tax credits on dividends.
[6] From the second quarter of 1973 includes imputed tax payments set against tax credits on dividends *less* payments of these tax credits by the Inland Revenue.
[7] Equals total personal income before tax *less* payments of taxes on income, national insurance, etc. contributions and net transfers abroad.
[8] Before providing for depreciation, stock appreciation and additions to tax reserves.
[9] Personal saving as a percentage of total personal disposable income is shown in italics.
[10] Personal disposable income revalued by the implied consumers' expenditure deflator (1975 = 100).

Appropriation account of companies and financial institutions

TABLE 5

£ million

	Income						Allocation of income					
		Income arising in the United Kingdom					Dividends and interest, etc.					
		Gross trading profits										
	Total[1]	After deducting stock appreciation	Stock appreciation	Total[2]	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other[3]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[1]
1973	15,570	6,605	2,327	8,932	4,206	2,432	1,695	3,336	754	1,895	7,890	*2,550*
1974	17,464	4,718	4,790	9,508	5,270	2,686	1,518	4,377	655	2,815	8,099	*4,176*
1975	17,737	5,523	4,239	9,762	5,630	2,345	1,645	4,536	622	2,255	8,679	*3,626*
1976	22,681	7,408	5,091	12,499	6,781	3,401	1,870	4,934	977	2,088	12,812	*4,417*
1977	25,518	10,767	4,046	14,813	7,286	3,419	2,300	5,132	1,746	3,181	13,159	*4,225*
Unadjusted												
1976 *1*	4,783	1,431	1,110	2,541	1,498	744	366	1,109	261	1,189	1,858	*1,039*
2	5,509	1,923	1,151	3,074	1,609	826	547	1,179	216	157	3,410	*1,068*
3	5,489	1,609	1,274	2,883	1,728	878	473	1,197	218	351	3,250	*1,156*
4	6,900	2,445	1,556	4,001	1,946	953	484	1,449	282	391	4,294	*1,154*
1977 *1*	6,709	2,402	1,554	3,956	1,889	864	430	1,372	404	1,754	2,749	*1,086*
2	6,287	2,534	1,020	3,554	1,842	891	644	1,306	492	262	3,583	*1,113*
3	6,364	2,845	867	3,712	1,821	831	604	1,226	409	538	3,587	*1,038*
4	6,158	2,986	605	3,591	1,734	833	622	1,228	441	627	3,240	*988*
1978 *1*	6,265	3,193	545	3,738	1,740	787	525	1,111	421	2,142	2,066	*931*
2	6,609	2,847	950	3,797	1,905	907	801	1,212	459	327	3,810	*984*
3	7,340	3,576	754	4,330	2,073	937	669	1,393	426	598	4,254	*940*
Seasonally adjusted												
1976 *1*	4,803	1,425	1,110	2,535	1,496	772	496	1,146	267	389	2,505	*1,019*
2	5,459	1,892	1,151	3,043	1,612	804	447	1,173	202	563	3,074	*1,059*
3	5,809	1,912	1,274	3,186	1,724	899	444	1,206	244	515	3,400	*1,200*
4	6,610	2,179	1,556	3,735	1,949	926	483	1,409	264	621	3,833	*1,139*
1977 *1*	6,714	2,359	1,554	3,913	1,900	901	590	1,405	410	759	3,550	*1,085*
2	6,408	2,697	1,020	3,717	1,824	867	520	1,299	470	695	3,424	*1,100*
3	6,307	2,765	867	3,632	1,826	849	570	1,234	442	837	3,224	*1,054*
4	6,089	1,946	605	3,551	1,736	802	620	1,194	424	890	2,961	*986*
1978 *1*	6,223	3,143	545	3,688	1,725	810	725	1,160	427	900	3,011	*925*
2	6,775	3,047	950	3,997	1,885	893	650	1,215	439	948	3,523	*967*
3	7,228	3,426	754	4,180	2,089	959	636	1,361	461	946	3,824	*968*

[1] Taxes paid abroad are not included in total income, but are shown only as a memorandum item.

[2] Before providing for depreciation and stock appreciation.

[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.

[4] Payments of corporation tax (including advance corporation tax from 6 April 1973). Up to 5 April 1973 the balance of deductions of income tax from dividends over payments to the Inland Revenue is also deducted. The amounts of advance corporation tax paid since 6 April 1973, gross of repayments and including the additonal charge in the financial year 1974-75, are as follows:

(£ million)

	1973	*1974*	*1975*	*1976*	*1977*	*1978*
Quarter 1	—	153	291	270	315	356
2	4	200	181	206	247	256
3	134	393	253	280	347	422
4	138	274	213	269	303	
Year	276	1,020	938	1,015	1,212	

[5] Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of industrial and commercial companies

TABLE 6

£ million

	Income							Allocation of income						
	Income arising in the United Kingdom							Dividends and interest, etc.						
		Gross trading profits			Rent and non-trading income									
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Total	*of which* from financial companies[2]	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other[3]	*of which* to financial companies[2]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[2]
1973	12,832	7,423	2,327	9,750	1,029	501	2,053	1,638	2,365	1,806	665	1,156	7,008	2,360
1974	14,671	6,268	4,790	11,058	1,325	695	2,288	1,469	3,340	2,716	525	2,022	7,315	4,012
1975	14,642	7,301	4,239	11,540	1,310	619	1,792	1,608	3,309	2,674	447	1,262	8,016	3,453
1976	18,731	9,462	5,091	14,553	1,641	802	2,537	1,825	3,798	3,149	744	888	11,476	4,116
1977	21,154	12,902	4,046	16,948	1,537	637	2,669	2,233	3,692	3,053	1,496	1,833	11,900	3,846
Unadjusted														
1976 *1*	3,922	1,914	1,110	3,024	348	157	550	354	800	666	194	99	2,475	967
2	4,582	2,426	1,151	3,577	385	178	620	516	873	720	150	108	2,935	995
3	4,481	2,132	1,274	3,406	415	200	660	469	947	782	168	319	2,578	1,078
4	5,746	2,990	1,556	4,546	493	267	707	486	1,178	981	232	362	3,488	1,076
1977 *1*	5,614	2,927	1,554	4,481	448	226	685	416	1,041	904	330	533	3,294	992
2	5,167	3,064	1,020	4,084	373	152	710	612	918	771	418	207	3,012	1,022
3	5,255	3,380	867	4,247	366	140	642	587	889	728	358	496	2,925	942
4	5,118	3,531	605	4,136	350	119	632	618	844	650	390	597	2,669	890
1978 *1*	5,280	3,756	545	4,301	379	134	600	517	766	631	370	802	2,825	851
2	5,489	3,405	950	4,355	464	200	670	757	952	817	408	263	3,109	904
3	6,049	4,136	754	4,890	510	233	649	654	1,081	932	370	556	3,388	865
Seasonally adjusted														
1976 *1*	3,935	1,908	1,110	3,018	348	157	569	480	840	673	200	165	2,250	947
2	4,543	2,395	1,151	3,546	388	178	609	424	867	707	136	240	2,876	986
3	4,801	2,435	1,274	3,709	415	200	677	442	953	784	194	219	2,993	1,122
4	5,452	2,724	1,556	4,280	490	267	682	479	1,138	985	214	264	3,357	1,061
1977 *1*	5,592	2,884	1,554	4,438	448	226	706	570	1,082	912	336	437	3,167	991
2	5,322	3,227	1,020	4,247	375	152	700	506	915	758	396	401	3,104	1,009
3	5,188	3,300	867	4,167	366	140	655	553	890	729	391	482	2,872	958
4	5,052	3,491	605	4,096	348	119	608	604	805	654	373	513	2,757	888
1978 *1*	5,252	3,706	545	4,251	379	134	622	709	808	641	376	519	2,840	845
2	5,682	3,605	950	4,555	467	200	660	631	949	802	388	546	3,168	887
3	5,913	3,986	754	4,740	510	233	663	620	1,083	933	405	581	3,224	893

[1] Before providing for depreciation and stock appreciation.

[2] These items are included solely as memorandum items.

[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.

[4] The residual of all companies payments and accruals of financial companies and institutions taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973). Up to 5 April 1973 the balance of deductions of income tax from dividends over payments to the Inland Revenue is also deducted. In the third quarter of 1978 the amount of advance corporation tax included was £358 million.

[5] Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of financial companies and institutions

TABLE 7

£ million

	Income						Allocation of income							
		Income arising in the United Kingdom					Dividends and interest payments, etc.							
			Rent and non-trading income					Other interest payments						
	Total	Gross trading profits[1, 2]	of the Banking sector	of Building societies	Other	Income from abroad (net of taxes paid abroad)	Dividends and debenture and loan interest payments[3]	by the Banking sector	by Building societies	Other	Profits due abroad (net of UK tax)	UK taxes on income[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[6]
1973	5,045	− 818	3,238	1,467	779	379	307	1,418	1,361	249	89	739	882	*190*
1974	6,204	−1,550	4,608	1,930	818	398	277	2,201	1,743	276	130	793	784	*164*
1975	6,388	−1,778	4,493	2,248	872	553	298	1,968	2,002	289	175	993	663	*173*
1976	7,901	−2,054	5,321	2,650	1,120	864	326	2,197	2,298	311	233	1,200	1,336	*301*
1977	8,054	−2,135	4,890	3,146	1,403	750	379	1,770	2,717	331	250	1,348	1,259	*379*
Unadjusted														
1976 *1*	1,684	−483	1,132	611	230	194	69	448	551	76	67	1,090	−617	*72*
2	1,825	−503	1,186	644	292	206	113	497	550	75	66	49	475	*73*
3	1,990	−523	1,331	673	291	218	72	533	554	77	50	32	672	*78*
4	2,402	−545	1,672	722	307	246	72	719	643	83	50	29	806	*78*
1977 *1*	2,225	−525	1,465	792	314	179	75	598	715	87	74	1,221	−545	*94*
2	2,043	−530	1,217	807	368	181	123	446	695	79	74	55	571	*91*
3	1,977	−535	1,163	792	368	189	99	379	660	84	51	42	662	*96*
4	1,809	−545	1,045	755	353	201	82	347	647	81	51	30	571	*98*
1978 *1*	1,750	−563	1,022	753	351	187	78	341	613	86	51	1,340	−759	*80*
2	2,137	−558	1,305	759	394	237	148	482	603	88	51	64	701	*80*
3	2,456	−560	1,491	836	401	288	97	556	742	87	56	42	866	*75*
Seasonally adjusted														
1976 *1*	1,698	−483	1,132	609	237	203	77	448	551	76	67	224	255	*72*
2	1,801	−503	1,186	644	279	195	94	497	548	75	66	323	198	*73*
3	1,992	−523	1,331	669	293	222	71	533	558	77	50	296	407	*78*
4	2,410	−545	1,672	728	311	244	84	719	641	83	50	357	476	*78*
1977 *1*	2,260	−525	1,465	803	322	195	90	598	706	87	74	322	383	*94*
2	1,996	−530	1,217	787	355	167	93	446	690	79	74	294	320	*91*
3	1,988	−535	1,163	797	369	194	98	379	669	84	51	355	352	*96*
4	1,810	−545	1,045	759	357	194	98	347	652	81	51	377	204	*98*
1978 *1*	1,746	−563	1,022	738	361	188	96	341	620	86	51	381	171	*80*
2	2,095	−558	1,305	736	379	233	109	482	608	88	51	402	355	*80*
3	2,481	−560	1,491	852	402	296	97	566	710	87	56	365	600	*75*

[1] Before providing for depreciation and stock appreciation, but the latter is negligible.

[2] This represents the contribution of financial companies and institutions to the gross domestic product. It is the difference between bank charges, commissions, etc., on the one hand and management expenses (wages and salaries and payments for current expenses) on the other.

[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in UK taxes on income.

[4] The accrual of corporation tax on taxable income including from 6 April 1973 advance corporation tax due from financial companies and institutions.

[5] Before providing for depreciation, stock appreciation and additions to reserves.

[6] This item is shown only as a memorandum item.

Appropriation account of public corporations

TABLE 8

£ million

	Income					Allocation of income				
						Interest and dividends (payments)			United Kingdom taxes on income (payments)[2]	Balance undistributed income[3]
	Total	Gross trading surplus[1]	*Of which* subsidies	Rent and non-trading income	Income from abroad	Total	To general government	Other		
1973	2,408	2,063	654	325	20	1,133	889	244	8	1,267
1974	2,997	2,558	1,338	409	30	1,586	1,158	428	11	1,400
1975	3,599	3,093	1,140	466	40	1,906	1,341	565	12	1,681
1976	5,261	4,502	1,005	703	56	2,395	1,650	745	2	2,864
1977	5,822	5,035	1,044	725	62	2,522	1,782	740	21	3,279
Unadjusted										
1976 *1*	1,169	1,023	240	134	12	641	520	121	2	526
2	1,215	1,039	273	162	14	480	298	182	—	735
3	1,175	976	243	184	15	681	479	202	—	494
4	1,702	1,464	249	223	15	593	353	240	—	1,109
1977 *1*	1,620	1,405	257	200	15	721	549	172	21	878
2	1,335	1,135	251	185	15	514	333	181	—	821
3	1,285	1,095	259	174	16	845	664	181	—	440
4	1,582	1,400	277	166	16	442	236	206	—	1,140
1978 *1*	1,554	1,359	273	178	17	720	562	158	20	814
2	1,380	1,181	282	182	17	538	295	243	—	842
3	1,332	1,149	287	167	16	671	487	184	—	661
Seasonally adjusted										
1976 *1*	1,142	996	240	134	12	508	387	121	1	633
2	1,294	1,118	273	162	14	606	424	182	—	688
3	1,355	1,156	243	184	15	569	367	202	—	786
4	1,470	1,232	249	223	15	712	472	240	1	757
1977 *1*	1,511	1,296	257	200	15	600	428	172	5	906
2	1,448	1,248	251	185	15	703	522	181	5	740
3	1,541	1,351	259	174	16	711	530	181	5	825
4	1,322	1,140	277	166	16	508	302	206	6	808
1978 *1*	1,457	1,262	273	178	17	592	434	158	5	860
2	1,488	1,289	282	182	17	675	432	243	5	808
3	1,560	1,377	287	167	16	549	365	184	5	1,006

[1] Before providing for depreciation and stock appreciation.
[2] Payments to Inland Revenue *less* amounts deducted from dividends and interest paid.
[3] Before providing for depreciation, stock appreciation and additions to reserves.

Current account of central government including National Insurance Fund

TABLE 9

	Receipts											
	£ million											
			Taxes on expenditure									
	Total	Taxes on income[1]	Selective employment tax	National insurance surcharge[5]	Other taxes	National insurance contributions	National health contributions	Redundancy Fund contributions[2]	Gross trading surplus[3]	Rent, dividends and interest	Imputed charge for consumption of non-trading capital
1973	22,602	9,295	132	—	7,343[4]	3,646	239	52	5	1,769	121
1974	28,281	12,548	—	—	8,381	4,713	235	52	51	2,142	159
1975	36,383	16,537	—	—	10,184	6,305	451	87	75	2,533	211
1976	42,516	18,704	—	—	12,046	7,700	604	115	37	3,051	259
1977	48,852	20,295	—	996	14,250	8,628	673	152	51	3,512	295
Unadjusted											
1976 *1*	11,000	5,566	—	—	2,637	1,691	136	26	3	879	62
2	10,026	4,278	—	—	2,901	1,951	152	29	4	647	64
3	10,408	4,222	—	—	3,051	2,006	156	30	25	853	65
4	11,082	4,638	—	—	3,457	2,052	160	30	5	672	68
1977 *1*	12,979	6,599	—	—	3,048	2,060	160	30	15	997	70
2	11,516	4,543	—	332	3,453	2,146	168	40	13	749	72
3	12,343	4,732	—	326	3,685	2,175	169	40	28	1,113	75
4	12,014	4,421	—	338	4,064	2,247	176	42	—5	653	78
1978 *1*	14,439	6,927	—	340	3,435	2,289	179	42	14	1,134	79
2	12,591	4,990	—	365	3,891	2,194	189	45	13	824	80
3	13,112	5,025	—	374	4,116	2,250	194	47	9	1,017	80
Seasonally adjusted											
1976 *1*	9,931	4,467	—	—	2,822	1,691	136	26	3	724	62
2	10,728	4,805	—	—	2,947	1,951	152	29	4	776	64
3	10,512	4,419	—	—	3,077	2,006	156	30	25	734	65
4	11,345	5,013	—	—	3,200	2,052	160	30	5	817	68
1977 *1*	11,691	5,247	—	—	3,259	2,060	160	30	15	850	70
2	12,357	5,149	—	332	3,501	2,146	168	40	13	936	72
3	12,593	5,071	—	326	3,725	2,175	169	40	28	984	75
4	12,211	4,828	—	338	3,765	2,247	176	42	—5	742	78
1978 *1*	13,032	5,395	—	340	3,718	2,289	179	42	14	976	79
2	13,490	5,714	—	365	3,920	2,194	189	45	13	970	80
3	13,381	5,409	—	374	4,127	2,250	194	47	9	891	80

[1] Tax receipts less tax credits.
[2] Include, from April 1977, contributions to the Maternity Pay Fund.
[3] Before providing for depreciation and stock appreciation.
[4] The current price estimates for the second quarter of 1973 include a fall in the book value of stocks of £280 million reflecting tax rebated on the introduction of VAT: the rebate is also included as a deduction from taxes on expenditure and the estimate of gross domestic product at factor cost is thus not affected.
[5] From this issue the national insurance surcharge, introduced in the second quarter of 1977, will be shown separately from other taxes on expenditure.

Current account of central government including National Insurance Fund

TABLE 9 *(continued)*

	Expenditure												
	£ million												
			Final consumption										
	Total	Total current expenditure	Total	Military defence	National health service	Other	Subsidies	National insurance benefits	Other current grants to personal sector	Debt interest	Current grants to local authorities	Current grants paid abroad	Balance: current surplus[1]
1973	22,602	21,406	7,773	3,399	2,524	1,850	1,328	3,927	2,220	1,834	3,965	359	1,196
1974	28,281	27,489	9,926	4,012	3,572	2,342	2,712	4,922	2,638	2,233	4,738	320	792
1975	36,383	37,218	13,209	5,097	4,903	3,209	3,277	6,377	3,490	2,760	7,726	379	−835
1976	42,516	44,831	15,709	6,163	5,788	3,758	2,999	7,918	4,288	3,737	9,388	792	−2,315
1977	48,852	49,640	17,275	6,765	6,477	4,033	2,881	9,203	5,160	4,640	9,370	1,111	−788
Unadjusted													
1976 *1*	11,000	11,360	3,819	1,486	1,369	964	694	1,947	972	979	2,726	223	−360
2	10,026	10,779	3,860	1,508	1,444	908	829	1,928	1,048	746	2,207	161	−753
3	10,408	11,229	3,958	1,566	1,454	938	752	1,944	1,085	1,171	2,135	184	−821
4	11,082	11,463	4,072	1,603	1,521	948	724	2,099	1,183	841	2,320	224	−381
1977 *1*	12,979	12,192	4,154	1,605	1,532	1,017	746	2,253	1,098	1,246	2,379	316	787
2	11,516	12,227	4,247	1,661	1,607	979	732	2,224	1,313	1,041	2,399	271	−711
3	12,343	12,421	4,407	1,757	1,645	1,005	679	2,265	1,305	1,269	2,202	294	−78
4	12,014	12,800	4,467	1,742	1,693	1,032	724	2,461	1,444	1,084	2,390	230	−786
1978 *1*	14,439	14,010	4,778	1,805	1,769	1,204	718	2,583	1,371	1,469	2,546	545	429
2	12,591	13,757	4,719	1,877	1,748	1,094	751	2,570	1,617	1,178	2,571	351	−1,166
3	13,112	14,283	4,900	1,897	1,895	1,108	788	2,546	1,664	1,543	2,425	417	−1,171
Seasonally adjusted													
1976 *1*	9,931	10,479	3,759	1,486	1,374	899	656	1,947	1,006	852	2,102	157	−548
2	10,728	11,186	3,903	1,508	1,443	952	856	1,947	1,019	881	2,415	165	−458
3	10,512	11,386	3,975	1,566	1,454	955	769	1,955	1,100	1,022	2,343	222	−874
4	11,345	11,780	4,072	1,603	1,517	952	718	2,069	1,163	982	2,528	248	−435
1977 *1*	11,691	11,769	4,097	1,605	1,537	955	706	2,255	1,137	1,169	2,161	244	−78
2	12,357	12,453	4,286	1,661	1,603	1,022	756	2,244	1,276	1,144	2,472	275	−96
3	12,593	12,450	4,426	1,757	1,649	1,020	697	2,275	1,323	1,145	2,275	309	143
4	12,211	12,968	4,466	1,742	1,688	1,036	722	2,429	1,424	1,182	2,462	283	−757
1978 *1*	13,032	13,412	4,705	1,805	1,774	1,126	683	2,586	1,419	1,223	2,347	449	−380
2	13,490	14,153	4,770	1,877	1,744	1,149	772	2,590	1,573	1,434	2,638	376	−663
3	13,381	14,268	4,923	1,897	1,899	1,127	805	2,556	1,685	1,357	2,491	451	−887

[1] Before providing for depreciation and stock appreciation.

Current account of local authorities

TABLE 10

	Receipts						
	£ million						
	Total	Current grants from central government	Rates		Gross trading surplus[2]	Rent, dividends and interest	Imputed charge for consumption of non-trading capital
			Cash receipts	Accruals adjustment[1]			
1973	8,139	3,965	2,533	114	134	1,069	324
1974[3]	9,851	4,738	3,083	6	97	1,549	378
1975	14,240	7,726	4,127	−149	102	1,945	489
1976	16,982	9,388	4,646	−143	122	2,389	580
1977	18,000	9,370	5,384	−190	143	2,641	652
Unadjusted							
1976 *1*	4,517	2,726	829	236	27	556	143
2	4,098	2,207	1,210	− 73	30	584	140
3	4,063	2,135	1,125	21	32	605	145
4	4,304	2,320	1,482	−327	33	644	152
1977 *1*	4,376	2,379	786	379	36	650	146
2	4,576	2,399	1,505	−173	36	648	161
3	4,423	2,202	1,357	− 15	36	675	168
4	4,625	2,390	1,736	−381	35	668	177
1978 *1*	4,791	2,546	803	569	40	655	178
2	4,889	2,571	1,790	−381	42	688	179
3	4,771	2,425	1,496	− 77	44	703	180
Seasonally adjusted							
1976 *1*	3,893	2,102	1,065		27	556	143
2	4,309	2,415	1,137		30	587	140
3	4,276	2,343	1,146		32	610	145
4	4,504	2,528	1,155		33	636	152
1977 *1*	4,158	2,161	1,165		36	650	146
2	4,661	2,472	1,332		36	660	161
3	4,487	2,275	1,342		36	666	168
4	4,694	2,462	1,355		35	665	177
1978 *1*	4,588	2,347	1,372		40	651	178
2	4,958	2,638	1,409		42	690	179
3	4,838	2,491	1,419		44	704	180

[1] Adjustment to accruals of rates for the quarter, as included in taxes on expenditure and in the adjustment to factor cost in Table 1.
[2] Before providing for depreciation and stock appreciation.
[3] Figures from the second quarter of 1974 exclude water, land drainage and sewage disposal (England and Wales), health and trust ports.

Current account of local authorities

TABLE 10 *(continued)*

	Expenditure								
	£ million								
	Total	Total current expenditure	Final consumption		Subsidies	Current grants to personal sector	Debt interest	Taxes on income (payments)[1]	Balance: current surplus[2]
			Education	Other					
1973	8,139	7,385	2,670	2,884	114	273	1,444	—	754
1974	9,851	9,283	3,196	3,442	284	315	2,046	—	568
1975	14,240	12,932	4,920	4,801	463	416	2,332	—	1,308
1976	16,982	14,750	5,366	5,536	473	557	2,818	—	2,232
1977	18,000	16,165	5,797	6,049	452	737	3,130	—	1,835
Unadjusted									
1976 *1*	4,517	3,772	1,285	1,302	119	160	850	56	745
2	4,098	3,549	1,371	1,363	121	163	503	28	549
3	4,063	3,728	1,313	1,438	117	142	770	−52	335
4	4,304	3,701	1,397	1,433	116	92	695	−32	603
1977 *1*	4,376	4,179	1,408	1,430	112	197	970	62	197
2	4,576	3,886	1,468	1,509	116	196	565	32	690
3	4,423	4,132	1,434	1,543	118	213	882	−58	291
4	4,625	3,968	1,487	1,567	106	131	713	−36	657
1978 *1*	4,791	4,588	1,520	1,670	117	249	977	55	203
2	4,889	4,322	1,616	1,661	131	260	614	40	567
3	4,771	4,421	1,561	1,732	137	189	861	−59	350
Seasonally adjusted									
1976 *1*	3,893	3,499	1,271	1,302	119	122	685	—	394
2	4,309	3,651	1,365	1,363	121	133	669	—	658
3	4,276	3,760	1,344	1,438	117	146	715	—	516
4	4,504	3,840	1,386	1,433	116	156	749	—	664
1977 *1*	4,158	3,881	1,394	1,430	112	166	779	—	277
2	4,661	4,024	1,457	1,509	116	178	764	—	637
3	4,487	4,138	1,470	1,543	118	190	817	—	349
4	4,694	4,122	1,476	1,567	106	203	770	—	572
1978 *1*	4,588	4,241	1,505	1,670	117	167	782	—	347
2	4,958	4,419	1,603	1,661	131	188	836	—	539
3	4,838	4,429	1,601	1,732	137	183	776	—	409

[1] Payments to Inland Revenue *less* amounts deducted from interest paid.
[2] Before providing for depreciation and stock appreciation.

International transactions

TABLE 11

Exports and imports of goods and services revalued at 1975 prices

£ million

	Exports				Imports			
	Unadjusted		Seasonally adjusted		Unadjusted		Seasonally adjusted	
	Goods	Services	Goods	Services	Goods	Services	Goods	Services
1973	19,041	7,106	19,041	7,106	24,683	6,360	24,683	6,360
1974	20,298	7,430	20,298	7,430	24,899	6,430	24,899	6,430
1975	19,463	7,480	19,463	7,480	22,699	6,329	22,699	6,329
1976	21,376	7,988	21,376	7,988	23,984	6,199	23,984	6,199
1977	23,151	8,338	23,151	8,338	24,309	5,967	24,309	5,967
1976 *1*	5,219	1,799	5,165	1,908	5,747	1,390	5,686	1,565
2	5,465	1,924	5,335	1,951	6,164	1,551	6,032	1,536
3	5,112	2,248	5,360	2,044	5,939	1,745	6,187	1,534
4	5,580	2,017	5,516	2,085	6,134	1,513	6,079	1,564
1977 *1*	5,700	1,835	5,635	2,029	6,235	1,345	6,211	1,511
2	5,874	2,031	5,740	2,039	6,333	1,456	6,221	1,476
3	5,813	2,373	6,052	2,110	5,872	1,707	6,051	1,480
4	5,764	2,099	5,724	2,160	5,869	1,459	5,826	1,500
1978 *1*	5,749	1,850	5,816	2,057	6,417	1,391	6,473	1,553
2	6,272	1,972	5,936	1,988	6,516	1,547	6,260	1,556
3	5,741	2,299	6,095	2,077	6,277	1,829	6,586	1,595

International transactions

TABLE 11 (*continued*)

	United Kingdom credits					
	£ million					
		Exports and property income from abroad				
	Total credits	Exports of goods[1]	Exports of services	Property income from abroad	UK taxes paid by non-residents	Current transfers to personal sector
1973	23,207	12,115	5,089	5,363	341	299
1974	31,075	16,538	6,440	7,354	410	333
1975	34,286	19,463	7,480	6,492	502	349
1976	44,457	25,424	9,744	8,358	475	456
1977	52,754	32,182	11,323	8,373	376	500
Unadjusted						
1976 *1*	9,888	5,717	2,013	1,918	127	113
2	10,887	6,312	2,318	2,039	105	113
3	11,387	6,212	2,794	2,163	106	112
4	12,295	7,183	2,619	2,238	137	118
1977 *1*	12,346	7,604	2,453	2,086	87	116
2	13,277	8,113	2,758	2,177	106	123
3	13,742	8,219	3,247	2,060	88	128
4	13,389	8,246	2,865	2,050	95	133
1978 *1*	13,060	8,283	2,582	1,981	84	130
2	14,522	9,240	2,867	2,189	86	140
3	14,277	8,544	3,377	2,148	68	140
Seasonally adjusted						
1976 *1*	9,974	5,654	2,144	1,933	130	113
2	10,725	6,160	2,362	1,992	98	113
3	11,528	6,513	2,551	2,233	119	112
4	12,230	7,097	2,687	2,200	128	118
1977 *1*	12,554	7,512	2,710	2,128	88	116
2	13,051	7,927	2,774	2,126	101	123
3	13,758	8,556	2,880	2,099	95	128
4	13,391	8,187	2,959	2,020	92	133
1978 *1*	13,474	8,380	2,873	2,004	87	130
2	13,995	8,743	2,883	2,148	81	140
3	14,500	9,071	3,013	2,200	76	140

[1] On a balance of payments basis.

International transactions

TABLE 11 (*continued*)

United Kingdom debits

£ million

	Total[1]	Total debits[1]	Imports and property income paid abroad				Current transfers		Balance: net investment and capital transfers abroad[3]
			Imports of goods[2]	Imports of services	Property income paid abroad	Foreign taxes paid by UK residents	From personal sector	From central government[1]	
1973	23,207	24,206	14,498	4,467	1,910	2,574	398	359	−999
1974	31,075	34,666	21,773	5,637	2,271	4,211	454	320	−3,591
1975	34,286	36,141	22,699	6,329	2,571	3,660	503	379	−1,855
1976	44,457	45,594	29,013	7,762	3,063	4,455	509	792	−1,137
1977	52,754	52,348	33,891	8,467	3,992	4,273	614	1,111	406
Unadjusted									
1976 *1*	9,888	9,994	6,277	1,562	738	1,048	146	223	−106
2	10,887	11,275	7,268	1,902	747	1,077	120	161	−388
3	11,387	11,755	7,339	2,229	720	1,166	117	184	−368
4	12,295	12,570	8,129	2,069	858	1,164	126	224	−275
1977 *1*	12,346	12,864	8,524	1,876	906	1,097	145	316	−518
2	13,227	13,557	8,843	2,059	1,124	1,125	135	271	−280
3	13,742	13,140	8,272	2,447	924	1,050	153	294	602
4	13,389	12,787	8,252	2,085	1,038	1,001	181	230	602
1978 *1*	13,060	13,614	8,944	1,986	971	943	225	545	−554
2	14,522	14,309	9,291	2,307	1160	996	204	351	213
3	14,277	14,280	8,972	2,712	1016	953	210	417	−3
Seasonally adjusted									
1976 *1*	9,974	10,053	6,204	1,762	756	1,028	146	157	−79
2	10,725	11,040	7,109	1,889	689	1,068	120	165	−315
3	11,528	11,945	7,645	1,969	782	1,210	117	222	−417
4	12,230	12,556	8,055	2,142	836	1,149	126	248	−326
1977 *1*	12,554	13,034	8,485	2,103	961	1,096	145	244	−480
2	13,051	13,331	8,689	2,091	1,029	1,112	135	275	−280
3	13,758	13,183	8,525	2,132	998	1,066	153	309	575
4	13,391	12,800	8,192	2,141	1,004	999	181	283	591
1978 *1*	13,474	13,887	9,022	2,222	1,032	937	225	449	−413
2	13,995	13,869	8,925	2,324	1,061	979	204	376	126
3	14,500	14,526	9,413	2,362	1,109	981	210	451	−26

[1] From the beginning of 1973 net of receipts from the EEC.
[2] On a balance of payments basis.
[3] Equal to the current balance in the balance of payments accounts.

Summary capital account

Receipts

TABLE 12

£ million

	Total	Saving[1]				Capital transfers (net)					
		Total	Personal sector	Companies	Public corporations	General government	Personal sector	Companies	Public corporations[2]	General government[2]	Residual error
1973	17,809	17,223	6,116	7,890	1,267	1,950	−325	271	153	−158	645
1974	20,740	19,610	8,751	8,099	1,400	1,360	−324	266	215	−232	1,205
1975	22,557	22,002	11,169	8,679	1,681	473	−304	389	280	−365	555
1976	29,522	28,210	12,617	12,812	2,864	−83	−63	229	368	−534	1,312
1977	32,440	31,302	13,817	13,159	3,279	1,047	81	108	456	−645	1,138
Unadjusted											
1976 *1*	6,973	6,373	3,604	1,858	526	385	−54	35	123	−104	600
2	6,628	7,147	3,206	3,410	735	−204	−42	74	71	−103	−519
3	7,553	7,028	3,770	3,250	494	−486	−11	69	71	−129	525
4	8,368	7,662	2,037	4,294	1,109	222	44	51	103	−198	706
1977 *1*	7,985	8,288	3,677	2,749	878	984	36	8	189	−233	−303
2	7,470	7,884	3,501	3,583	821	−21	3	61	93	−157	−414
3	8,159	7,713	3,473	3,587	440	213	28	30	83	−141	446
4	8,826	7,417	3,166	3,240	1,140	−129	14	9	91	−114	1,409
1978 *1*	7,668	7,454	3,942	2,066	814	632	64	159	160	−383	214
2	8,825	8,598	4,545	3,810	842	−599	58	52	83	−193	227
3	8,885	8,498	4,404	4,254	661	−821	68	46	123	−237	387
Seasonally adjusted											
1976 *1*	6,899	6,198	3,214	2,505	633	−154	−53	65	87	−99	701
2	7,013	6,967	3,005	3,074	688	200	−27	62	93	−128	46
3	7,538	7,336	3,508	3,400	786	−358	−14	48	84	−118	202
4	8,072	7,709	2,890	3,833	757	229	31	54	104	−189	363
1977 *1*	7,966	7,911	3,256	3,550	906	199	28	42	126	−196	55
2	7,806	7,952	3,247	3,424	740	541	26	48	130	−204	−146
3	8,258	7,654	3,113	3,224	825	492	28	7	105	−140	604
4	8,410	7,785	4,201	2,961	808	−185	−1	11	95	−105	625
1978 *1*	7,816	7,123	3,285	3,011	860	− 33	55	182	105	−342	693
2	9,048	8,595	4,388	3,523	808	−124	85	46	111	−242	453
3	8,906	8,401	4,049	3,824	1,006	−478	66	28	146	−240	505

[1] Before providing for depreciation, stock appreciation, and additions to reserves.
[2] Excluding financial transactions on the writing-off of debt.

Summary capital account

Payments

TABLE 12 (*continued*)

£ million

	Gross capital formation[1]						Net acquisition of financial assets[3]			
	Total	Total	Personal sector	Companies	Public corporations	General government	Balance: net investment abroad[2]	Personal sector	Companies	Public corporations	General government
1973	17,809	18,867	2,953	9,996	2,210	3,708	1,058	2,838	−1,835	−790	−1,916
1974	20,740	24,406	3,144	13,612	3,198	4,452	3,666	5,283	−5,247	−1,583	−3,324
1975	22,557	24,412	3,646	10,804	4,898	5,064	1,855	7,219	−1,736	−2,937	−4,956
1976	29,522	30,659	4,520	15,167	5,480	5,492	1,137	8,034	−2,126	−2,248	−6,109
1977	32,440	32,034	5,164	16,942	4,987	4,941	−406	8,734	−3,675	−1,252	−4,539
Unadjusted											
1976 *1*	6,973	7,079	992	3,001	1,393	1,693	106	2,558	−1,108	−744	−1,412
2	6,628	7,016	1,110	3,347	1,349	1,210	388	2,054	137	−543	−1,517
3	7,553	7,921	1,144	4,099	1,377	1,301	368	2,615	−780	−812	−1,916
4	8,368	8,643	1,274	4,720	1,361	1,288	275	807	−375	−149	−1,264
1977 *1*	7,985	8,503	1,242	4,388	1,302	1,571	518	2,471	−1,631	−235	−820
2	7,470	7,750	1,348	4,237	1,150	1,015	280	2,156	−593	−236	−1,193
3	8,159	7,557	1,192	3,914	1,282	1,169	−602	2,309	−297	−759	−1,097
4	8,826	8,224	1,382	4,403	1,253	1,186	−602	1,798	−1,154	−22	−1,429
1978 *1*	7,668	8,227	1,321	4,420	1,085	1,396	554	2,685	−2,195	−111	−1,147
2	8,825	8,652	1,620	4,895	1,141	956	−213	2,983	−1,033	−216	−1,748
3	8,885	8,504	1,602	4,824	1,310	1,152	3	2,870	−524	−526	−2,210
Seasonally adjusted											
1976 *1*	6,899	6,978	1,034	3,141	1,393	1,410	79	2,127	−571	−673	−1,663
2	7,013	7,328	1,058	3,521	1,344	1,405	315	1,920	−385	−563	−1,333
3	7,538	7,956	1,177	4,041	1,378	1,359	417	2,317	−593	−508	−1,835
4	8,072	8,397	1,251	4,464	1,365	1,318	326	1,670	−577	−504	−1,278
1977 *1*	7,966	8,446	1,291	4,520	1,357	1,278	480	1,993	− 928	−325	−1,275
2	7,806	8,086	1,290	4,477	1,105	1,214	280	1,983	−1,005	−235	−877
3	8,258	7,683	1,234	3,927	1,279	1,243	−575	1,907	−696	−349	−891
4	8,410	7,819	1,349	4,018	1,246	1,206	−591	2,851	−1,046	−343	−1,496
1978 *1*	7,816	8,223	1,356	4,600	1,101	1,172	413	1,984	−1,407	−136	−1,547
2	9,048	8,956	1,545	5,112	1,119	1,146	−126	2,928	−1,543	−200	−1,512
3	8,906	8,547	1,665	4,740	1,302	1,225	26	2,450	−888	−150	−1,943

[1] Gross fixed capital formation *plus* the increase in book value of stocks and work in progress.
[2] Equals, apart from the change in sign, the net acquisition of financial assets by the overseas sector.
[3] This balance is equal to saving *plus* capital transfers *less* gross capital formation.

Consumers' expenditure

TABLE 13

£ million

	Total	Food (household expenditure)	Alcoholic drink: Beer	Alcoholic drink: Wines spirits, etc.	Tobacco	Housing	Fuel and light	Clothing: Footwear	Clothing: Other	Durable goods: Total	Durable goods: Cars and motor cycles	Durable goods: Furniture and floor coverings	Durable goods: Radio and electrical goods, etc.	Other goods	Other services
At current prices															
1973	45,187	8,489	1,807	1,616	1,945	6,140	1,897	634	3,257	4,138	1,799	1,100	1,239	6,986	8,278
1974	51,863	9,817	2,071	1,844	2,238	7,431	2,268	735	3,818	3,937	1,431	1,179	1,327	8,481	9,223
1975	63,192	12,059	2,680	2,176	2,748	9,237	2,916	860	4,436	4,784	1,816	1,420	1,548	10,293	11,003
1976	73,538	14,086	3,282	2,554	3,107	11,169	3,600	990	4,948	5,682	2,306	1,622	1,754	11,764	12,356
1977	83,530	16,268	3,788	2,751	3,632	12,844	4,261	1,169	5,669	6,400	2,706	1,769	1,925	13,141	13,607
Unadjusted															
1976 *1*	16,651	3,313	611	414	668	2,586	1,123	191	1,010	1,387	610	381	396	2,590	2,758
2	17,722	3,387	828	545	796	2,825	699	242	1,150	1,292	583	352	357	2,842	3,116
3	18,642	3,531	961	568	820	2,863	615	250	1,188	1,435	610	395	430	3,001	3,410
4	20,523	3,855	882	1,027	823	2,895	1,163	307	1,600	1,568	503	494	571	3,331	3,072
1977 *1*	19,071	3,879	752	464	777	3,002	1,298	232	1,159	1,579	734	414	431	2,921	3,008
2	20,160	4,018	966	554	939	3,279	919	269	1,272	1,414	651	379	384	3,106	3,424
3	21,325	3,972	1,048	664	966	3,282	766	299	1,392	1,732	813	439	480	3,408	3,796
4	22,974	4,399	1,022	1,069	950	3,281	1,278	369	1,846	1,675	508	537	630	3,706	3,379
1978 *1*	21,938	4,288	891	565	894	3,382	1,479	278	1,336	2,085	1,078	476	531	3,237	3,503
2	23,030	4,294	1,044	697	1,008	3,695	984	332	1,518	1,960	1,027	457	476	3,474	4,024
3	24,641	4,488	1,130	789	1,012	3,716	830	369	1,648	2,302	1,189	530	583	3,751	4,606
Revalued at 1975 prices															
1973	65,497	12,210	2,589	2,187	2,918	9,062	2,930	824	4,418	5,938	2,668	1,580	1,690	10,603	11,818
1974	64,070	12,099	2,590	2,302	2,885	9,122	2,983	833	4,364	4,791	1,731	1,395	1,665	10,595	11,506
1975	63,192	12,059	2,680	2,176	2,748	9,237	2,916	860	4,436	4,784	1,816	1,420	1,548	10,293	11,003
1976	63,320	12,172	2,738	2,273	2,653	9,411	2,894	887	4,470	5,057	1,977	1,448	1,632	10,396	10,369
1977	62,732	12,051	2,728	2,209	2,523	9,583	2,964	907	4,576	4,828	1,920	1,341	1,567	10,098	10,265
Unadjusted															
1976 *1*	15,026	2,976	547	387	607	2,326	966	178	952	1,281	557	357	367	2,392	2,414
2	15,506	3,001	696	486	697	2,402	569	222	1,059	1,173	510	319	344	2,555	2,646
3	15,917	3,091	790	500	682	2,365	479	222	1,071	1,271	509	352	410	2,636	2,810
4	16,871	3,104	705	900	667	2,318	880	265	1,388	1,332	401	420	511	2,813	2,499
1977 *1*	14,931	2,929	561	377	585	2,372	952	191	977	1,250	554	331	365	2,370	2,367
2	15,195	2,989	704	454	650	2,449	641	210	1,055	1,076	468	290	318	2,373	2,594
3	15,791	2,945	742	532	647	2,401	518	231	1,108	1,272	557	328	387	2,594	2,801
4	16,815	3,188	721	846	641	2,361	853	275	1,436	1,230	341	392	497	2,761	2,503
1978 *1*	15,611	3,017	610	444	628	2,404	987	203	1,035	1,435	682	340	413	2,370	2,478
2	16,007	2,965	695	532	720	2,498	638	238	1,150	1,309	626	319	364	2,507	2,755
3	16,889	3,085	752	600	714	2,455	526	260	1,232	1,510	706	363	441	2,677	3,078
Seasonally adjusted															
1976 *1*	15,724	3,038	623	556	652	2,326	760	210	1,097	1,239	494	362	383	2,596	2,627
2	15,785	3,029	687	547	676	2,345	689	227	1,117	1,237	472	356	409	2,627	2,604
3	15,884	3,088	723	560	669	2,365	702	223	1,126	1,276	482	363	431	2,585	2,567
4	15,927	3,017	705	610	656	2,375	743	227	1,130	1,305	529	367	409	2,588	2,571
1977 *1*	15,619	2,991	638	551	629	2,372	737	226	1,130	1,232	510	337	385	2,564	2,549
2	15,495	3,019	693	507	631	2,391	765	215	1,114	1,157	454	325	378	2,448	2,555
3	15,777	2,945	676	588	634	2,402	749	231	1,163	1,260	515	338	407	2,546	2,583
4	15,841	3,096	721	563	629	2,418	713	235	1,169	1,179	441	341	397	2,540	2,578
1978 *1*	16,311	3,083	691	633	674	2,404	762	239	1,194	1,375	599	345	431	2,561	2,695
2	16,370	2,995	685	609	700	2,438	767	243	1,212	1,412	624	357	431	2,589	2,720
3	16,810	3,084	685	664	700	2,456	773	260	1,292	1,489	653	374	462	2,632	2,775

Gross domestic fixed capital formation by sector and by type of asset

TABLE 14

£ million

	Total	Private sector[1]	General government[1,2]	Public corporations[1]	Vehicles, ships and aircraft	Plant and machinery	Dwellings: Private	Dwellings: Public	Other new building and works[3]
At current prices									
1973	14,149	8,415	3,661	2,073	1,655	4,852	1,628	1,020	4,994
1974	16,916	9,687	4,376	2,853	1,838	5,762	1,702	1,481	6,133
1975	20,817	11,860	4,974	3,983	2,017	6,890	2,196	1,967	7,747
1976	23,669	13,602	5,406	4,661	2,430	8,173	2,383	2,312	8,371
1977	25,429	15,930	4,806	4,693	3,020	9,576	2,269	2,299	8,265
1976 *1*	5,915	2,894	1,675	1,346	585	2,040	592	637	2,061
2	5,464	3,269	1,167	1,028	584	1,824	568	519	1,969
3	5,966	3,614	1,269	1,083	613	1,995	612	556	2,190
4	6,324	3,825	1,295	1,204	648	2,314	611	600	2,151
1977 *1*	6,097	3,305	1,546	1,246	689	2,316	474	646	1,972
2	5,979	3,936	991	1,052	751	2,193	558	515	1,962
3	6,395	4,113	1,112	1,170	747	2,379	591	552	2,126
4	6,958	4,576	1,157	1,225	833	2,688	646	586	2,205
1978 *1*	6,948	4,347	1,367	1,234	950	2,648	562	583	2,205
2	6,684	4,685	925	1,074	869	2,610	607	463	2,135
3	7,151	4,907	1,109	1,135	843	2,800	601	570	2,337
Revalued at 1975 prices									
1973	21,609	12,519	5,928	3,162	2,415	6,768	2,491	1,790	8,145
1974	21,164	11,967	5,578	3,619	2,323	7,113	2,041	1,938	7,749
1975	20,817	11,860	4,974	3,983	2,017	6,890	2,196	1,967	7,747
1976	20,489	11,838	4,696	3,955	2,045	6,864	2,105	2,039	7,436
1977	19,738	12,286	3,854	3,598	2,091	7,027	1,828	1,828	6,964
Unadjusted									
1976 *1*	5,328	2,632	1,504	1,192	519	1,815	541	586	1,867
2	4,818	2,900	1,030	888	504	1,562	508	466	1,778
3	5,121	3,129	1,086	906	511	1,654	534	486	1,936
4	5,222	3,177	1,076	969	511	1,833	522	501	1,855
1977 *1*	4,911	2,625	1,306	980	522	1,768	398	531	1,692
2	4,714	3,112	783	819	541	1,628	459	413	1,673
3	4,910	3,160	866	884	504	1,722	470	432	1,782
4	5,203	3,389	899	915	524	1,909	501	452	1,817
1978 *1*	5,056	3,098	1,059	899	564	1,826	425	450	1,791
2	4,784	3,330	706	764	513	1,754	446	353	1,718
3	4,987	3,404	826	789	462	1,856	426	425	1,818
Seasonally adjusted									
1976 *1*	5,187	2,862	1,252	1,073	504	1,709	562	534	1,878
2	5,137[4]	2,942[4]	1,204	991	523	1,698	508	508	1,900[4]
3	5,168[4]	3,086[4]	1,137	945	541	1,701	543	501	1,882[4]
4	4,997	2,948	1,103	946	477	1,756	492	496	1,776
1977 *1*	4,794	2,852	1,063	879	518	1,702	417	486	1,671
2	5,025[4]	3,187[4]	944	894	550	1,751	461	450	1,813[4]
3	4,965	3,100	928	937	547	1,767	477	447	1,727
4	4,954	3,147	919	888	476	1,807	473	445	1,753
1978 *1*	5,030	3,329	885	816	574	1,809	448	413	1,786
2	5,056	3,356	850	850	526	1,879	448	384	1,819
3	5,029	3,337	881	811	494	1,889	430	443	1,773

[1] Including purchases *less* sales of land and existing buildings.
[2] Formerly called public authorities.
[3] Including transfer costs of land and buildings.
[4] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £200 million in 3rd quarter 1975, £150 million in 2nd quarter 1976, £125 million in 3rd quarter 1976 and £225 million in 2nd quarter 1977.

Gross domestic fixed capital formation by industry group

TABLE 15

£ million

	Total	Petroleum and natural gas	Other mining and quarrying	Manufacturing[1]	Gas, electricity and water	Transport and communication	Distributive trades[1]	Other industries[2]	Dwellings	Public services	Transfer costs of land and buildings
At current prices											
1973	14,149	183	105	2,347	771	1,884	811	2,490	2,648	2,345	565
1974	16,916	600	139	3,067	952	1,993	976	2,988	3,183	2,523	495
1975	20,817	1,621	201	3,522	1,242	2,329	1,035	3,092	4,163	2,987	625
1976	23,669	2,183	297	3,958	1,400	2,352	1,156	3,566	4,695	3,362	700
1977	25,429	2,009	409	4,862	1,312	2,616	1,489	4,372	4,568	3,002	790
1976 *1*	5,915	334	81	918	416	638	265	835	1,229	1,047	152
2	5,464	582	66	893	291	511	292	830	1,087	742	170
3	5,966	683	77	997	338	561	281	876	1,168	793	192
4	6,324	584	73	1,150	355	642	318	1,025	1,211	780	186
1977 *1*	6,097	272	108	1,107	392	641	328	1,010	1,120	978	161
2	5,979	671	84	1,101	274	624	349	1,008	1,073	611	184
3	6,395	565	106	1,233	331	617	386	1,081	1,143	717	216
4	6,958	501	111	1,421	315	734	426	1,273	1,232	716	229
1978 *1*	6,948	440	157	1,322	351	722	408	1,274	1,145	902	227
2	6,684	638	108	1,347	310	619	421	1,267	1,070	657	247
3	7,151	713	134	1,441	353	618	409	1,298	1,171	746	268
Revalued at 1975 prices											
1973	21,609	303	150	3,504	1,199	2,692	1,187	3,836	4,281	3,819	638
1974	21,164	730	174	3,822	1,218	2,454	1,216	3,735	3,979	3,319	517
1975	20,817	1,621	201	3,522	1,242	2,329	1,035	3,092	4,163	2,987	625
1976	20,489	1,962	253	3,345	1,191	1,976	1,003	3,115	4,144	2,867	633
1977	19,738	1,680	306	3,573	1,010	1,936	1,120	3,388	3,656	2,408	661
Unadjusted											
1976 *1*	5,328	309	72	828	371	558	240	761	1,127	919	143
2	4,818	532	59	769	251	437	258	740	974	640	158
3	5,121	615	65	831	283	468	242	761	1,020	668	168
4	5,222	506	57	917	286	513	263	853	1,023	640	164
1977 *1*	4,911	231	85	852	310	498	259	813	929	794	140
2	4,714	569	64	820	214	472	267	787	872	489	160
3	4,910	473	78	895	251	451	288	829	902	565	178
4	5,203	407	79	1,006	235	515	306	959	953	560	183
1978 *1*	5,506	351	112	911	256	469	283	921	875	702	176
2	4,784	500	76	902	225	409	287	898	799	501	187
3	4,987	546	92	954	248	363	277	916	851	554	186
Seasonally adjusted											
1976 *1*	5,187	417	61	812	326	542	246	751	1,096	779	157
2	5,137[3]	554[3]	67	828	287	477	265	758	1,016	727	158
3	5,168[3]	538[3]	67	849	289	497	247	790	1,044	688	159
4	4,997	453	58	856	289	460	245	816	988	673	159
1977 *1*	4,794	323	71	851	273	485	266	808	903	660	154
2	5,025[3]	604[3]	73	880	245	498	276	816	911	562	160
3	4,965	386	80	910	257	496	294	857	924	592	169
4	4,954	367	82	932	235	457	284	907	918	594	178
1978 *1*	5,030	445	92	921	223	474	292	938	861	591	193
2	5,056	493	87	959	258	432	302	936	832	570	187
3	5,029	466	95	968	250	405	281	940	873	575	176

[1] Further details are given in the *Monthly Digest of Statistics*.

[2] Covers agriculture, forestry, fishing, construction and other service industries.

[3] Including extra capital formation in imported oil platforms and related equipment delivered during the quarter but not adjusted for seasonality. The extra deliveries are approximately £200 million in 3rd Quarter 1975, £150 million in 2nd Quarter 1976, £125 million in 3rd Quarter 1976 and £225 million in 2nd Quarter 1977.

Value of physical increase in stocks and work in progress

TABLE 16

£ million

Book value of stocks and work in progress at end–December	At current prices					Revalued at 1975 prices									
						Unadjusted					Seasonally adjusted				
			Distributive trades					Distributive trades					Distributive trades		
	Total	Manufacturing[1]	Retail	Wholesale	Other industries	Total	Manufacturing	Retail	Wholesale	Other industries	Total	Manufacturing[1]	Retail	Wholesale	Other industries
1977	48,622	28,771	4,417	6,427	9,007	34,469	19,995	3,181	4,541	6,752					
1973	1,724[2]	790	254	312	368	2,983	1,309	624	432	618	2,983	1,309	624	432	618
1974	1,285	1,106	−147	323	3	1,462	1,287	−180	361	− 6	1,462	1,287	−180	361	− 6
1975	−1,925	1,221	−100	−247	−357	−1,925	−1,221	−100	−247	−357	−1,925	−1,221	−100	−247	−357
1976	365	426	24	182	267	261	316	13	131	−199	261	316	13	131	−199
1977	1,288	629	33	369	257	1,051	442	29	266	314	1,051	442	29	266	314
1976 *1*	−308	27	− 33	− 17	−285	−260	29	− 30	− 13	−246	−125	−13	7	43	−162
2	−12	−28	−104	− 33	153	− 7	−28	− 93	− 23	137	− 17	− 29	− 67	− 9	88
3	289	16	66	194	13	219	−1	57	153	10	189	99	46	81	− 37
4	396	411	95	38	−148	309	316	79	14	−100	214	259	27	16	− 88
1977 *1*	334	376	96	30	−168	254	277	76	26	−125	442	234	117	82	9
2	469	135	− 32	207	159	379	102	− 24	157	144	354	97	4	180	73
3	25	−169	− 56	17	233	− 3	−120	− 41	−2	160	6	− 5	− 59	− 80	150
4	460	287	25	115	33	421	183	18	85	135	249	116	− 33	84	82
1978 *1*	443	98	39	24	282	319	89	28	24	178	460	38	62	81	279
2	714	384	135	−128	323	496	273	94	− 79	208	432	272	128	− 62	94
3	724	32	102	165	425	468	26	70	110	262	434	162	54	38	180

[1] Further details are given in the *Monthly Digest of Statistics*

[2] The second quarter of 1973 includes a fall in the book value of stocks of £280 million reflecting tax rebated on the introduction of VAT. The rebate has been allocated at current prices as follows:

	£ million		£ million
Manufacturers	34	Retailers	181
Wholesalers	36	Other Industries	29

This allocation is to some extent arbitrary, and therefore should be regarded as approximate.

The effects of taxes and benefits on household income, 1977

Articles on the incidence of taxes and social security benefits have been published in *Economic Trends* annually since the early sixties. Their general purpose has been to show how taxation and public expenditure on social services, cash benefits and consumer subsidies affect the observed distribution of income between different types of households. The present article continues the series with estimates for 1977.

Presentation

Last year substantial changes in format and content were made in the article. Instead of presenting an analysis for a single year as in previous articles, a comparison was given between the latest year and the situation five years earlier. Another substantial change was that in general the tables were presented on a quantile basis rather than in terms of size ranges of income. These changes in content and format have been retained for this year's article.

The choice of a five-year interval was little more than a compromise between a long period, for which it is expensive to produce data in comparable form, and a short period, in which the effect of demographic changes, for example, are not evident.

The change in the presentation of the tables arose from the difficulty of interpreting data which are presented in terms of size ranges of income. Valid comparisons over time were difficult because the growth in incomes required the ranges to be changed frequently if the bulk of the sample was not to be concentrated in a few ranges. To overcome these difficulties, most tables are now presented on a quantile basis. The number of households in each table is divided into five, ten or twenty equal groups arranged in ascending order of income; and the average taxes paid and benefits received are shown for each group.* Generally the summary tables in the text are analysed by quintile groups whereas the more detailed tables in Appendix 2 are analysed by decile groups. The tables in the old form are available on request from the Central Statistical Office (see Appendix 1).

This year there have been further changes. First, the benefits to households of rail travel subsidies have for the first time been estimated, both for 1977 and for 1972. Their effects on redistribution are discussed in detail below, and the method of allocation is given in Appendix 1.

Secondly, in order to increase the depth of analysis there are two further sections. The first deals with the impact of taxes and benefits on households categorised by the number of workers, and the second assesses this impact on households according to their stage in the life-cycle.

* In this article the average benefit received means the average over all households in the group or income range, not the average of only those households that are recipients of the benefit. 'Average' means the arithmetic mean.

The article begins with a section relating total government expenditure and its financing to the household sector. This section also includes a brief introduction to the methods of allocating taxes and benefits to different types of household.

The next section contains the main results. It starts with a summary of the findings overall and at each successive stage of redistribution. This is done first in terms of the distribution of income before any intervention by the state, either by taxation or by granting benefits: we call this 'original income'. We then consider the way original income is modified by direct cash payments to households by the state, and by direct taxes, to yield disposable income. Finally we estimate the redistributive effect of indirect taxes, subsidies and direct benefits in kind (e.g. the health service), to arrive at 'final income'.

There are two appendices. The first describes the methodology in detail, including definitions of all the terms used. The second contains the main statistics in the form of tables, showing how the allocated taxes and benefits are made up, and how their impact varies between households in different parts of the income distribution.

Government expenditure and its financing

In 1977 general government expenditure, which includes both expenditure on goods and services and transfer payments, amounted to £62 thousand million. It was financed by receipts of £21 thousand million from direct taxes on persons, by £20 thousand million from indirect taxes falling on expenditure and by £20 thousand million from other sources such as corporation tax and borrowing (see Appendix 2, Tables 1 and 2). Households both contribute to and benefit from this expenditure. They pay taxes directly in the form of income tax and national insurance contributions, and indirectly through local rates and the taxes levied on the goods and services they buy. They benefit from public spending on social services including state education, the National Health Service, and housing and food subsidies, as well as payments in cash.

Changes in the pattern of redistribution between 1972 and 1977 should be seen against a background of changes in government expenditure and financing. Table A shows that government expenditure rose faster than gross domestic product in the five-year period as a whole. The difference was most marked in the years 1974 and 1975: in 1976, and more so in 1977, government expenditure rose more slowly than gross domestic product. Current expenditure on cash benefits, education, the health service and subsidies to households rose from 41 per cent of total government expenditure in 1972 to 47 per cent in 1977, while the share of capital expenditure plus other current expenditure fell from 49 per cent to 41 per cent, as shown in Table B. The shares in government financing of the various taxes and other receipts, shown in Table C, changed little between

1972 and 1977. However, there was a significant shift between 1976 and 1977; whilst direct taxes remained unchanged at 32 per cent of government financing, indirect taxes rose from 26 per cent to 28 per cent, and government borrowing fell from 14 per cent to 8 per cent.

The increases in expenditure on social services were due partly to demographic changes: for example, the increases in health service expenditure and cash benefits stem partly from the increasing number of elderly people in the population. Housing subsidies were nearly quintupled, for two reasons. The first was that housing costs rose sharply owing to general inflation, a steep rise in interest rates and the growth of the local authority housing stock; the second was that increases in rent were limited by the introduction of mandatory rent rebate schemes under the Housing Finance Act and by short term anti-inflationary measures such as the 'rent freeze' in 1974/75 and the 'special element' subsidies in 1975/76 and 1976/77.

Growth of gross domestic product and government expenditure, 1972 to 1977

TABLE A

	Percentage change	
	1972 to 1977	1976 to 1977
Gross domestic product (at current market prices)	+123	+ 15
General government expenditure	+136	+ 6
Cash benefits	+158	+ 19
Current expenditure on education and health	+159	+ 10
Subsidies to households	+446	—
Other current expenditure	+142	+ 10
Capital expenditure (including net lending, etc.)	+ 30[1]	− 27[1]
Other expenditure (mainly debt interest)	+184	− 19

[1] The figures reflect a large fall in net lending in 1977, particularly to public corporations, and a large sale of company securities. General government gross domestic fixed capital formation rose by 76 per cent between 1972 and 1977, but fell 11 per cent between 1976 and 1977.

Source: *National Income and Expenditure 1967–77*, Table 9.4

Shares in government expenditure, 1972 and 1977

TABLE B

	Percentages		Change
	1972	1977	1972 to 1977
General government expenditure	100	100	—
Cash benefits	19	21	+2
Current expenditure on education and health	20	22	+2
Subsidies to households	2	4	+2
Other current expenditure	29	30	+1
Capital expenditure (including net lending, etc.)	20	11	−9[1]
Other expenditure (mainly debt interest)	10	12	+2

[1] See footnote [1] of Table A

Source: *National Income and Expenditure 1967–77*, Table 9.4

Shares in general government financing, 1972 and 1977

TABLE C

	Percentages		Change
	1972	1977	1972 to 1977
Total receipts	100	100	—
Direct taxes on households	31	34	+3
Indirect taxes on households	31	28	−3
Borrowing	8	8	—
Other receipts	30	30	—

Source: *National Income and Expenditure 1967–77*, Table 9.1

Allocation of government expenditure and its financing

There are considerable difficulties in moving from these aggregates to apportioning taxes and benefits to individual households. We can obtain information about the types of households that receive cash benefits and pay direct taxes through surveys such as the Family Expenditure Survey (FES). From the replies respondents give to questions on their expenditure we can impute their payments of indirect taxes, and from information they supply about such factors as their age and the number of children in the household we can estimate the average costs of providing them with social services, such as health and education. But there are other kinds of financing, such as corporation tax and government receipts from public corporations, which are not covered in the FES and which are difficult to apportion to individual households. Indeed, most people would probably not think of these as leading to a reduction in their personal incomes. Similarly, there are other items of government expenditure, such as capital expenditure, expenditure on defence and on the maintenance of law and order, for which there is no clear conceptual basis for allocation, or for which we do not in any event have sufficient information to make an allocation.

Consequently, in the estimates in this article, only some 47 per cent of total government expenditure and 63 per cent of total government receipts in 1977 are in the categories which are directly allocated to individual households. Allocated taxes thus make up more of government financing than do allocated benefits of government expenditure. Since this imbalance reflects only the practical and conceptual possibilities of allocating the individual receipts and expenditures to households, it has no special significance, but it does mean that, on average, households are shown in the tables as paying more in taxes than they receive in benefits. For 1972, 41 per cent of total government expenditure and 62 per cent of total government receipts were allocated. Since the basis for allocation has not changed during the period 1972–77, this means that expenditure on services allocated to households has risen faster than other government expenditure.

It must be emphasised that the analysis in this article provides only a very rough guide to the kinds of household which benefit from government expenditure and by how much, and to those which finance it. Apart from the fact that large parts of expenditure and receipts are not allocated, the methods both of allocating taxes and of valuing and apportioning benefits to individual households are subject to error. For example, in allocating indirect taxes we assume

that the part of the tax falling on consumers' expenditure is borne by the household which buys the item or the service taxed, whereas in reality the incidence of the tax is spread by pricing policies and probably falls in varying proportions on the producers of a good or service, on their employees, on the buyer, and on the producers and consumers of other goods and services. Another example is that we know only an estimate of the total financial cost of providing benefits, such as education, and so we have to treat that cost as if it measured the benefit which accrues to recipients of the service. In fact, the value the recipients themselves place on the service may be very different from the cost of providing it; moreover, there may be households in the community, other than the immediate beneficiaries, who receive a benefit indirectly from the general provision of the service (for example, health service expenditure lowers the general likelihood of infectious diseases).

Further details of the allocation methodology for taxes and benefits are given in Appendix 1.

Summary of the results

The extent of redistribution can be measured by comparing original income with final income in Table D. It is clear that income is redistributed from households with high incomes to those with low incomes. Table D and Chart 1 summarise the redistribution in 1977.

In the following detailed discussion of the results, comparisons are made with 1972. During the period from 1972 to 1977 the structure of income redistribution remained the same. However, as is evident from Table 3 in Appendix 2, because of economic and demographic factors there have been some important changes. For example, the general level of direct taxes has increased; households, except those in the lowest decile groups of original income (i.e. income before any intervention by the state), paid on average 170 per cent more in 1977 than in 1972. This compares with an increase of 112 per cent in original incomes and also 112 per cent in retail prices. There has also been a very large increase in cash benefits paid as retirement pensions due mainly to the increase in the proportion of retired households in the population. The redistributional effect of taxes and benefits as a whole, as can be seen from Table D, is most marked at the extremes of the population. Specifically, for the lowest three decile groups, average final income exceeds average original income and, for the highest four decile groups, average original income exceeds average final income. Too much significance should not be attached to the smaller differences between original and final incomes in the remaining decile groups; for the reasons explained above the government receipts and expenditure which are allocated to households are not in balance.

Considering the components of redistribution, we can see that cash benefits, together with direct and indirect taxes, have the major impact on original income. The size of these components in turn depends on the characteristics of the households. The most important characteristic is the presence or absence of workers in the household. Households with no workers, which are mainly retired households, form the bulk of the lower income decile groups. It is these households and other types of household with low incomes which are, as shown in Chart 1, the main beneficiaries of cash benefits from the state. Such benefits, especially retirement pensions, are the major source of disposable income (i.e. original income plus cash benefits minus income tax, surtax and national insurance contributions) for about 80 per cent of retired households. These households also receive appreciable amounts of subsidy, mainly in the form of housing benefit. On average in 1977, subsidies for two-adult retired households were £150 per year, over 90 per cent of which was housing subsidy.

Summary of results for all households, 1977

By decile groups of original income

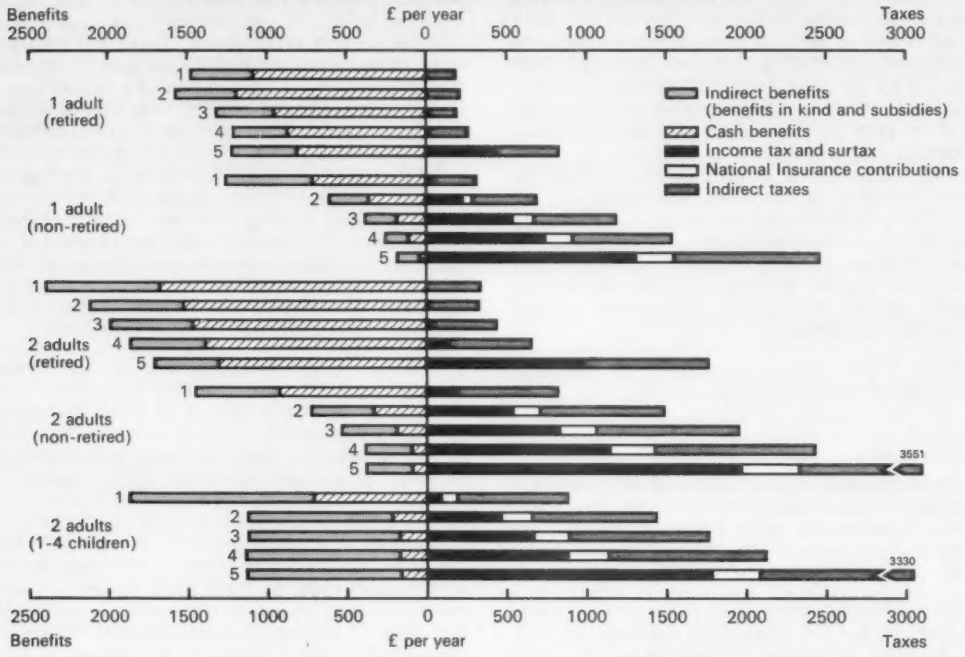
TABLE D

	Decile groups										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	All households
Number of households in sample	720	720	719	720	720	720	720	719	720	720	7,198
Average											
Number of workers per household	0·1	0·2	0·7	1·2	1·4	1·6	1·8	1·9	2·2	2·4	1·4
Number of persons per household	1·6	1·7	2·1	2·6	2·9	3·1	3·2	3·2	3·4	3·7	2·8
Number of adults per household	1·3	1·5	1·7	1·8	1·9	2·0	2·1	2·2	2·4	2·7	2·0
Number of children per household	0·3	0·2	0·4	0·8	1·0	1·1	1·1	1·1	1·1	1·0	0·8
Number of persons per worker	16·0	8·5	3·0	2·2	2·1	1·9	1·8	1·7	1·5	1·5	2·0
£ per household per year[1]											
Average											
Original income	20	390	1,440	2,700	3,610	4,410	5,190	6,100	7,390	11,080	4,230
plus Cash benefits	1,360	1,190	1,000	550	370	280	250	240	220	220	570
less Direct taxes	..	20	170	460	660	890	1,060	1,310	1,640	2,750	890
Disposable Income	1,380	1,560	2,270	2,790	3,320	3,800	4,380	5,030	5,970	8,550	3,910
plus Subsidies	230	140	140	130	100	100	100	90	90	90	120
less Indirect taxes	280	330	510	670	760	860	970	1,060	1,240	1,560	820
plus Direct benefits in kind	390	410	480	570	610	670	670	670	760	810	600
Final income	1,710	1,790	2,380	2,820	3,270	3,710	4,190	4,730	5,580	7,890	3,810

[1] Rounded to the nearest £10.

CHART 1

Average taxes paid and benefits received-1977, by quintile groups of original income within household types



Another important determinant of redistributive impact is the number of children in the household. Households with children receive significant amounts of subsidies and benefits from health and education expenditures since children are relatively large consumers of these services. This is particularly so in the lowest decile groups of households with children, where the average number of children is larger than in other decile groups and where, therefore, final income appreciably exceeds disposable income. In the remaining decile groups, disposable and final incomes are roughly equal, because indirect taxes and non-cash benefits are almost offsetting. Tax payments are largest for non-retired households without dependent children.

Tables 3 and 4 in Appendix 2 show the detailed allocation of categories of benefits and taxes to different household types for 1972 and 1977. These tables rank households by original and disposable incomes separately. The first ranking is mainly of interest in indicating which kinds of households are likely to be in need of state benefits and, at the higher end of the income scale, which ones have the highest taxable capacity. After original incomes are modified by payment of direct taxes and receipt of cash benefits, households are re-ranked by their resulting disposable incomes. For example, the first decile group of all households ranked by original income consists of households with original incomes less than £122 per annum (Table 3 (*i*)) and thus it includes the first two decile groups of two-adult retired households (Table 3 (*iv*)), because their original incomes are less than £81 per annum. However, when retirement pensions are added to original incomes, the disposable income of these households rises to nearly £1,500 per annum. Therefore, ranked by disposable income, two-adult retired households fall in the second decile group, which encompasses the range £1,326 and £1,859 (Table 4). The arrangement of households by their disposable income or spending capacity is more appropriate for consumer demand analysis and for gauging the effects of indirect taxes and subsidies. Neither the original nor the disposable income concept is relevant for assessing the incidence of benefits in kind, which varies mainly according to household size and structure: for example, with the number of children or of elderly persons in the household.

Original income

In the period 1972 to 1977 the average original income of households more than doubled, from about £2,000 per annum to £4,230 per annum, an increase of 112 per cent. This is slightly slower than the rate at which individual earnings rose, 116 per cent. One reason for this difference was the fall in the average size of household from 2·9 persons to 2·8 persons; if personal income and other factors had remained unchanged while average household size decreased then average household income would have decreased.

The growth of 58 per cent in original incomes of households in the bottom three decile groups, i.e. the bottom 30 per cent of the distribution, was considerably below the overall rate of 112 per cent. The main reason for this difference is the large number of retired households at the lower end of the distribution. Many of these retired households are pensioner households whose small or negligible original income (i.e. income excluding state benefits) tends to be fixed and does not grow in line with earnings.

Household composition, 1972 and 1977

By household type within quintile groups of original income

TABLE E

	Percentages											
	1972						1977					
	Quintile groups						Quintile groups					
	1st	2nd	3rd	4th	5th	Average over all quintile groups	1st	2nd	3rd	4th	5th	Average over all quintile groups
1 and 2 adult retired	73	13	2	1	1	18	78	23	3	1	1	21
1 and 2 adult non-retired	15	43	34	31	25	30	10	43	37	35	26	30
2 adults 1–4 children non-retired ..	3	29	48	42	26	30	4	21	45	40	24	27
Others	9	15	15	26	48	23	9	13	15	24	48	22
Total	100	100	100	100	100	100	100	100	100	100	100	100
Number of households in the sample	1,403	1,404	1,403	1,404	1,403	7,017	1,440	1,439	1,440	1,439	1,440	7,198

The proportion of households of different types in each quintile group of original income is summarised in Table E. The main changes over the five years have been an increased proportion of retired households, particularly in the second quintile group, and a drop in the proportion of households with children. This changing composition affects the size and pattern of redistribution.

Table 3 in Appendix 2 shows the distribution of original incomes, taxes and benefits for a number of different household types. For one-adult retired households, the bottom two decile groups consist entirely of households with no original income. Since any ordering of households within these decile groups would be quite arbitrary, the two groups are combined. For two-adult retired households only the bottom decile group consists entirely of households with no original income. One reason for this difference is that the people in one-adult households are, on average, older and less likely to do part-time work than those in two-adult households. Another reason is that the two-adult retired category includes some households in which only one adult is retired, for example a retired father and a daughter who may have quite high earnings.

Cash benefits

The first stage in estimating redistribution is the addition of direct transfers, that is cash benefits such as national insurance pensions and unemployment benefit, to original income. Since most cash benefits are designed to support people during periods when they are not earning, the effect of these benefits is very markedly redistributive. However, it is important to remember that many of those who are in the lower part of the income distribution may be there only temporarily; for example, if they are there because they are out of work, this may be only for a short period. Indeed there is evidence that amongst the population capable of work there is considerable movement within the earnings distribution over time, although the shape of the distribution remains unchanged.†

† See 'How individual people's earnings change': *Department of Employment Gazette* January 1977 (HMSO).

The increase in average cash benefits for all households between 1972 and 1977 was 159 per cent, appreciably above the rise in original income of 112 per cent. However, this increase in cash benefits reflects an increase in the number of recipients within households as well as increases in rates of benefits. For example, the number of pensioners increased by about 8 per cent, so while the rates of pensions increased by about 152 per cent (comparing the average standard rate of pension for a single person under 80 during 1977 with the comparable rate during 1972), the average amount received over all households increased by 179 per cent.

Table 3 shows how the totals of cash benefits are made up for different household types. The high levels of benefits to retired households consist, as would be expected, largely of retirement pensions. The high levels of benefits to non-retired one and two-adult households with low original incomes are also made up largely of retirement pensions. This is because the classification of a household as 'retired' depends partly on whether its members, when responding in the FES, describe themselves as 'retired' or 'unoccupied' (see Appendix 1). Many of those low income non-retired one and two-adult households therefore include people who do some paid work, although they are over retirement age and largely dependent on the retirement pension.

Direct taxes

Original income plus some of the cash benefits (notably pensions) is broadly the basis on which liability for income tax is assessed. Income tax and surtax as a percentage of original income plus cash benefits is shown in Table F. The table shows for each quintile group of households ranked by original income the percentage paid, on average, by each household type. Not surprisingly, better-off households pay a substantially higher proportion of their income in tax. However, the relationship between tax payments and income is influenced by tax reliefs such as those on mortgage interest and life insurance premiums (the tax is shown net of these reliefs). These reliefs tend to increase with income because higher-income households on average pay proportionately more of their income in mortgage interest and insurance premiums. Another factor in the relationship is that child

Income tax and surtax as a percentage of original income *plus* cash benefits, 1972 and 1977

By household type within quintile groups of original income

TABLE F

Percentages

	1972						1977					
	Quintile groups						Quintile groups					
	1st	2nd	3rd	4th	5th	Average over all quintile groups	1st	2nd	3rd	4th	5th	Average over all quintile groups
All households	1	6	10	12	16	11	1	9	14	16	19	15
Retired households												
1 adult	1	13	19	..	..	7	1	12	22	..	..	6
2 adults	1	10	18	25	32	9	1	9	20	21	29	9
Non-retired households												
1 adult	1	11	15	18	21	14	1	15	20	20	24	18
2 adults	1	7	11	14	18	14	−1	10	15	18	21	18
2 adults 1 child	−2	4	10	13	16	12	..	4	13	16	19	15
2 adults 2 children	−1	3	8	11	15	11	−1	3	12	15	20	15
2 adults 3 children	−1	1	7	9	14	9	..	3	12	14	21	15
2 adults 4 children	..	−1	7	10	16	9	..	..	10	14	18	11
Other households	..	3	6	9	14	11	..	6	10	13	18	15

tax allowances and other personal allowances reduce the tax paid by the larger households in each income range.

The pattern of tax payments in Table F shows a number of changes between 1972 and 1977. Overall, income tax and surtax together rose from 11 per cent to 15 per cent of original income plus cash benefits. This increase in the proportion paid in tax varied between household types and between income ranges. The proportion paid by retired households remained virtually unchanged. This was so because the increase in the number of pensioners was almost entirely at the lower end of the income distribution where there are virtually no tax payments. For the group of non-retired households, the size of the increase was almost the same as for all household types combined.

The rest of direct taxation, apart from income tax and surtax, is made up of employees' (and self-employed) national insurance contributions. Although these increased in absolute terms, they remained fairly constant as a proportion of original income plus cash benefits at 3·6 per cent. The pattern of incidence remained much the same in 1977 as in 1972 because the main determinant of the variation between income ranges, i.e. the relative number of workers in the household, was fairly stable.

Indirect taxes and subsidies

The amount of subsidies received and indirect taxes paid depends on how each household spends its money, because both subsidies and indirect taxes are different for different types of goods and services. Also, the variation of this amount between income ranges depends on whether the proportion of household income spent on an item rises, remains the same or falls with income. If it rises, the taxes can be described as progressive, in the sense that they take proportionately more income from better-off households. On the other hand, if the proportion of income spent on the item falls with rising income, they will tend to be regressive, that is to take proportionately more income from less well-off households.

The degree of progressivity or regressivity may vary according to the definitions of income chosen, and indeed with different definitions the direction may be reversed. The choice of definition depends on the purpose of the analysis. For this series of articles we chose disposable income since that is the basis on which households make their spending decisions. Finally, the impact of the various indirect taxes and subsidies shown in the tables is only the initial impact, excluding secondary and time-lagged effects. The impact for 1977 is shown in Table G; a detailed comparison with 1972 was not possible because of the extensive changes in tax structure in this period, the most notable of which were the abolition of purchase tax and selective employment tax and the introduction of value added tax.

Indirect taxes as a whole tend to form a lower proportion of disposable income of those households with higher incomes than of those with lower incomes. This is so primarily because the expenditure of higher income households forms a lower proportion of their income and because most indirect taxes are roughly proportional to expenditure. At the same time the impact on the lowest income groups is overstated. There are two reasons for this; the first is that, while local authority rates (which form part of indirect taxes) are included net of rate rebates for those households which receive a rebate, no rebate is generally made to ratepayers who are in receipt of supplementary benefit or supplementary pensions. An allowance for rates is included in the assessment for supplementary benefit, but this allowance appears in this article as an increase in cash

benefits rather than a reduction in rates paid. The second reason is that certain households consisting of students in full-time higher education are shown as having no income or very little income because, for the purpose of this analysis, their maintenance grants are treated as education benefit rather than as cash benefit or original income. However, the expenditure financed by such grants is subject to indirect tax and this tax appears in the average for the lowest income groups.

The impact of indirect taxes is measured here at the same stage of redistribution as subsidies. This treatment should be reasonable because an average shopping basket will almost certainly contain goods bearing value added tax together with subsidised foods, and both of these types of goods, on the assumptions made here, will bear a share of intermediate taxes. Similarly, many households are likely to hand over one payment for rent and rates combined. Rates are an indirect tax while most council rents are reduced by housing subsidies, which, like food subsidies, are an indirect benefit.

Table H shows the combined effect of indirect taxes and subsidies for 1972 and 1977, for different household types. During this period the net effect has been a reduction in the overall impact from 20 per cent of disposable income in 1972 to 18 per cent in 1977. This drop is largely due to the increase in subsidies, although indirect taxes fell slightly from 21·4 per cent in 1972 to 21·1 per cent in 1977. Housing subsidies increased from 1·4 per cent of disposable income in 1972 to 2·6 per cent in 1977 and rail travel subsidies from 0·1 per cent to 0·2 per cent. Food subsidies, introduced in

Indirect taxes as a percentage of disposable income of all households, 1977

By decile groups of disposable income

TABLE G

Percentages

	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
Rates	6·6	5·2	4·4	3·8	3·4	3·1	3·0	2·7	2·5	2·1	3·1
Beer	0·9	1·0	1·5	1·7	1·7	1·7	1·6	1·5	1·5	1·4	1·5
Wines and spirits	0·8	1·0	1·3	1·3	1·3	1·5	1·4	1·4	1·7	1·6	1·5
Tobacco	3·2	3·9	4·6	4·4	4·3	3·4	3·2	2·9	2·9	2·1	3·2
Value added tax	2·5	2·4	2·9	3·1	3·1	3·4	3·4	3·4	3·3	3·1	3·2
Oil	0·7	0·9	1·6	1·8	1·8	2·1	1·9	2·0	1·8	1·6	1·7
Import duty	0·5	0·4	0·5	0·5	0·5	0·5	0·4	0·4	0·4	0·4	0·4
Intermediate taxes	6·0	5·5	5·8	5·7	5·4	5·6	5·4	5·2	5·1	4·8	5·3
Other	1·3	1·3	1·6	1·6	1·5	1·5	1·3	1·3	1·2	0·9	1·3
Total indirect taxes	22·4	21·7	24·0	23·8	22·9	22·7	21·7	20·8	20·5	18·0	21·1

Indirect taxes less subsidies as a percentage of disposable income, 1972 and 1977

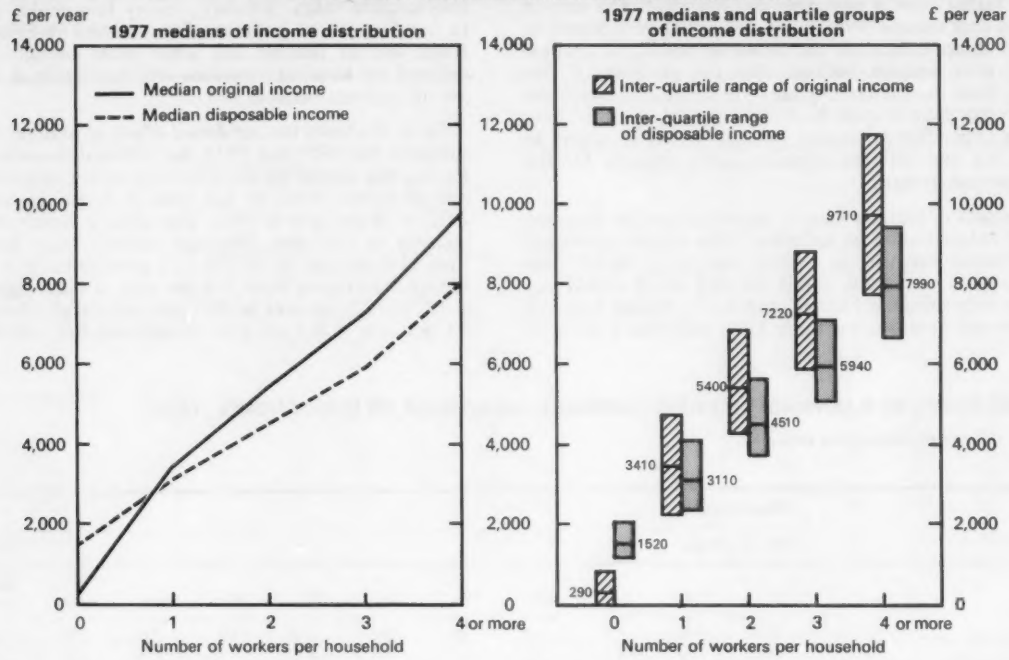
By household type within quintile groups of disposable income

TABLE H

Percentages

	1972						1977					
	Quintile groups					Average over all quintile groups	Quintile groups					Average over all quintile groups
	1st	2nd	3rd	4th	5th		1st	2nd	3rd	4th	5th	
All households in the sample	18	22	21	20	19	20	9	18	20	19	18	18
Retired households												
1 adult	13	18	18	10	12	14	6	16	17	..	..	8
2 adults	19	22	21	20	15	20	6	16	20	19	16	14
Non-retired households												
1 adult	18	20	22	18	19	20	14	19	19	18	19	18
2 adults	24	22	21	21	18	20	21	20	20	19	16	19
2 adults 1 child	28	24	21	19	16	20	17	22	20	19	16	19
2 adults 2 children	..	24	21	20	18	20	43	19	20	19	16	19
2 adults 3 children	..	24	20	20	17	19	..	21	20	18	15	17
2 adults 4 children	..	23	21	22	17	21	..	16	19	19	16	18
Other households	21	22	21	21	20	20	13	15	19	20	19	19

CHART 2 **The impact of cash benefits and direct taxes on income of households with different numbers of workers-1977**



1974, were equivalent to 0·3 per cent of disposable income in 1977.

In 1977 the combined effect of indirect taxes and subsidies on the lowest income groups was relatively small, at 9 per cent of disposable income, and on the middle ranges fairly constant at a little over twice the level of the lowest groups. It was slightly less for those at the highest income levels, at 17 per cent for those in the top decile as shown in Table 4 of Appendix 2. This pattern is due mainly to the very progressive effect of housing subsidies, particularly for elderly households, which offsets the regressive effect of indirect taxes in the total. It is due also to the higher savings ratios of those at the higher income levels, which restrict the proportional effect of expenditure taxes. These reasons apply also to differences between household types shown in Table H, the elderly receiving proportionately more housing and food subsidies than the non-retired population, both because the former are more dependent on the state generally and because their expenditure on food forms on average a higher proportion of income than for other households.

For the first time in this series of articles, the redistributive impact of rail travel subsidies has been estimated. There are a number of observations. First, in contrast to food subsidies, where households with lower incomes spend a higher proportion of their disposable income on food and therefore benefit proportionately more from subsidies, rail travel subsidies are a fairly constant proportion of disposable income at all levels, except in the top decile group where there is a sharp rise. This rise probably reflects the fact that rail commuters tend on average to have higher salaries than the rest of the population. Secondly, the main redistributive effect is horizontal, to non-retired households without children. Expenditure on rail travel declines with increasing numbers of children in a household, which suggests that the diminishing marginal cost of using a car compared with travelling by rail as the size of family increases influences people's choice of their mode of travel.

Benefits in kind

Apart from cash benefits and subsidies, the other parts of government expenditure we are able to allocate to households are current expenditure on health, education and welfare foods, described as benefits in kind in this article. The ways in which these expenditures are allocated are explained in Appendix 1. The allocation of benefits in kind depends far more on the size and composition of each household than on its income.

In interpreting the allocation of education benefits to different income groups it is important to remember two factors. First, persons aged 16 and over are counted as adults and so most of the benefits of sixth-form education are shown as going to households with three or more adults, who are shown in Table 3 of Appendix 2 under 'others'. This treatment explains why households with two adults and 1 to 4 children received on average £510 per annum in education benefit in 1977 compared with £640 per annum received by 'other' households. The second factor is that for households with children, there is a tendency for better-off parents to be older and consequently to have older children;† that is, they have fewer children under school age and more children in secondary school than

† See footnote on page 101.

less well-off households with the same number of children. For that reason alone they will tend to benefit more from the education service, remembering that average education cost is higher for secondary school than for primary school children. This factor probably largely explains why the imputed education benefit increases with income, as shown in Table 3.

The criteria for allocating health service benefits are the age and sex of persons in households. This is why Table 3 shows the highest benefits going to households with retired people or with very young children, who make greater use of the health service than persons of working age. Average health service benefits for one-adult retired households were nearly double those for one-adult non-retired in 1977.

The basis for allocating health service benefits is being reviewed and the Central Statistical Office intends to publish a detailed article on this aspect of redistribution during 1979.

Redistribution according to the number of workers in the household

One of the main determinants of the size of household income is the number of workers living within the household. Workers are defined to include not only those actually at work but also those who would be at work but are away sick or temporarily unemployed. This definition is consistent with our definition of income, which relates to usual or normal earnings. In 94 per cent of households, all those classed as workers were working at the time of FES interview in 1977; this was 92 per cent of all individual workers.

Chart 2 shows both the changes in the median levels of original and disposable income for households with differing numbers of workers, and the spread about these medians. The vertical bars show the range within which the central 50 per cent of household incomes lay. For example, for households with one worker, the original income of the middle 50 per cent lay between £2,200 and £4,700 per annum in 1977.

As Chart 2 shows, the original income of those households with no workers is very low. These households consist predominantly of people who are over the statutory retirement ages, 65 for men and 60 for women. 82 per cent of households with no workers are composed entirely of such elderly persons. However, a number of elderly persons do work: about 16 per cent of households composed of elderly persons had at least one worker, most of whom worked only part-time.

Median income of households with different numbers of workers, 1977

TABLE J

	Number of workers per household				
	0	1	2	3	4 or more
Number of households in sample	1,681	2,264	2,508	567	178
Median original income (£ per annum)	290	3,410	5,400	7,220	9,710
Median disposable income (£ per annum)	1,520	3,110	4,510	5,940	7,990

Household original income rises with the number of workers but not exactly proportionally. For example, as shown in Table J, the median original income of households with two workers is not twice that of households with one worker. There are a number of possible reasons for this kind of variation, but the main one seems to be the characteristics of the second and subsequent workers. They are generally wives who are more likely to be working only part-time, or young workers who on average have lower earnings than older male workers. For example, amongst two-worker households, only 4 per cent of heads of households were part-time workers whilst 39 per cent of their wives were.

The comparison between original income and disposable income (i.e. original income plus cash benefits minus direct taxes) shows that for households with no workers, median income is raised from £290 per annum to £1,520 per annum. Cash benefits exceed direct taxes, raising income for nearly all households in this category. For most other households, that is those with one or more workers, the reverse is true; direct taxes exceed cash benefits, thereby bringing their disposable income below original income. Moreover the difference increases with income. Unlike original income, median disposable income happens to vary directly with the number of workers.

That part of Chart 2 which shows the spread of the central 50 per cent of household incomes indicates that this spread narrows as a result of the combined effect of cash benefits and direct taxes. Not surprisingly, in the upper half of each category of household (except no-worker households), the progressive nature of direct taxes considerably reduces original income. For households with more than one worker, original income is sufficiently high for direct taxes to exceed cash benefits in all but a few cases. Households with one worker fall between the extremes, a significant number at the lower end of the distribution having disposable income greater than original income. These are mainly households with only a part-time worker, for example a retired family with one member doing a little part-time work.

Chart 3 shows the way in which the allocated taxes and benefits vary at different levels of income with different numbers of workers. Cash benefits are paid chiefly to households with no workers and to other types of household in the lowest quintile groups of the income distribution. Benefits paid to the higher income groups are mainly family allowances. Benefits in kind are higher for households with more workers (and thus in general more people), as they tend to vary with household size.

Table K shows that the correlation of original income for all households with the number of persons in the household is due fundamentally to the number of workers in the household. Thus, for a given number of workers, original income is not strongly related to the number of persons, except in the case of one-worker households where the effect of part-time elderly workers amongst the one and two-person households is evident.

On the other hand, disposable income and final income show a clear correlation with the number of persons in the household, even within individual categories of workers per household. As regards the disposable income of no-worker households, this is so primarily because, in general,

CHART 3

Average taxes paid and benefits received-1977, for households with different numbers of workers by quintile groups of original income within household type

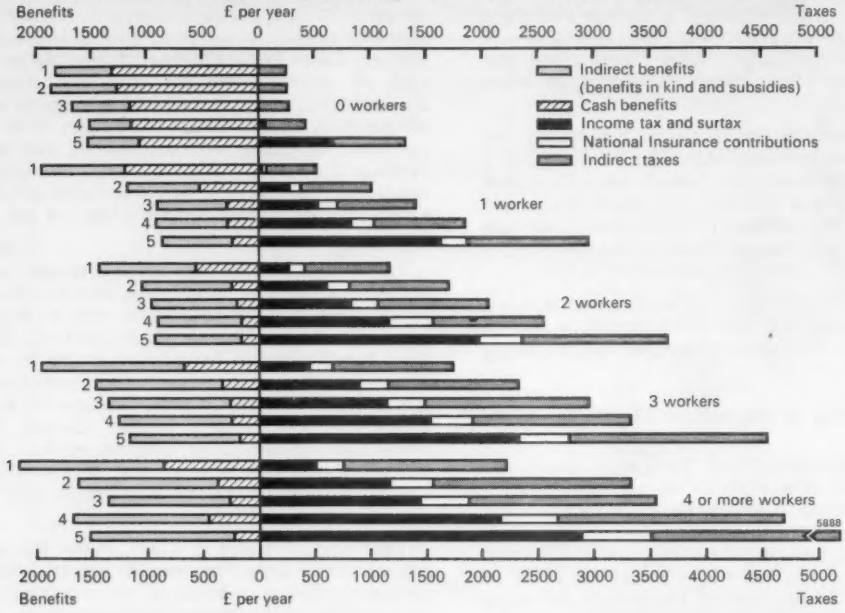
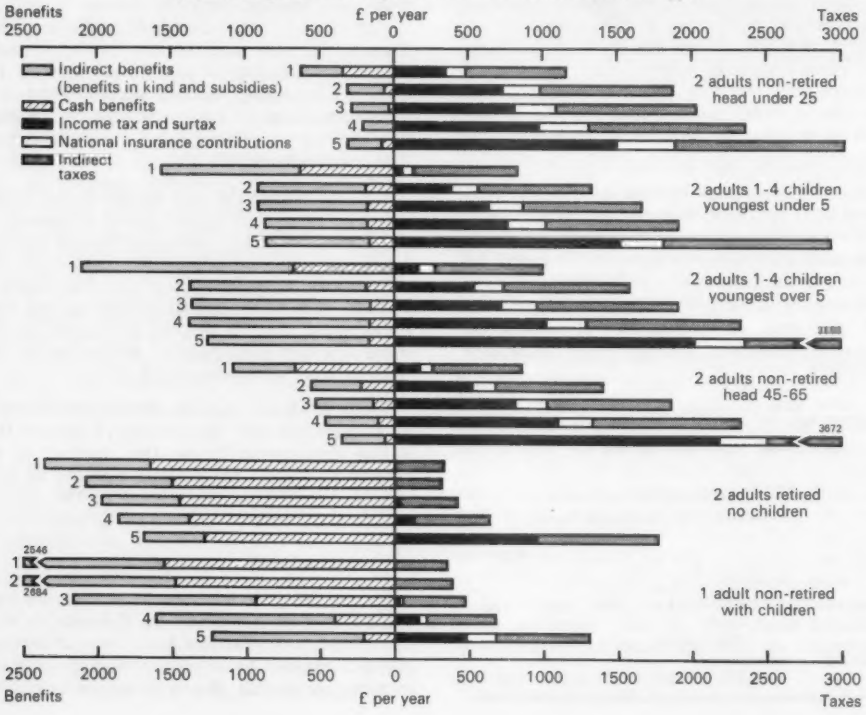


CHART 4

Average taxes paid and benefits received-1977, for representative life-cycle groups by quintile groups of original income within household type


Benefits
£ per year
Taxes
2500 2000 1500 1000 500 0 500 1000 1500 2000 2500 3000
Indirect benefits (benefits in kind and subsidies)
Cash benefits
Income tax and surtax
National insurance contributions
Indirect taxes
2 adults non-retired head under 25
2 adults 1-4 children youngest under 5
2 adults 1-4 children youngest over 5
2 adults non-retired head 45-65
3672
2 adults retired no children
2546
2684
1 adult non-retired with children

Average original, disposable and final income for households with different numbers of workers and persons, 1977

TABLE K

£ per household per year

Original income

Number of persons per household	Number of workers per household				
	0	1	2	3 or more	All
1	520	3,040	..	..	1,460
2	1,100	3,550	5,860	..	3,790
3	1,190	4,060	5,650	7,730	5,290
4 or more	860	4,420	5,850	8,290	5,940
All	790	3,770	5,810	8,120	4,230

Disposable income

Number of persons per household	0	1	2	3 or more	All
1	1,390	2,580	..	..	1,830
2	2,310	3,390	4,670	..	3,610
3	2,630	3,760	4,800	6,080	4,580
4 or more	2,620	4,070	5,070	7,060	5,210
All	1,840	3,460	4,850	6,760	3,910

Final income

Number of persons per household	0	1	2	3 or more	All
1	1,500	2,240	..	..	1,770
2	2,430	3,150	4,000	..	3,290
3	3,460	3,560	4,460	5,260	4,250
4 or more	4,130	4,480	5,380	6,910	5,460
All	2,000	3,380	4,630	6,400	3,810

the cash benefit system takes account of the greater needs of larger households and thus provides higher benefits for them. For households with one or more workers, tax allowances generally increase with the number of persons in the household and so, for a given number of workers, tax liability decreases and disposable income increases. The increase in income with the number of persons per household is even more marked for final income because of the close relationship of benefits in kind to household size and composition.

From the analysis of the correlation between the numbers of workers in households and their incomes, some general conclusions about the tax-benefit system are clear. First, there is a clear transfer of income from households with workers to those without. Secondly, for households with a given number of workers, there is a transfer from smaller to larger households.

Life-cycle aspects of redistribution

The analyses presented in this series of articles since 1961 aim to show the impact of state benefits and taxes on households of different types and at different income levels. However, the impact of the tax-transfer system varies also according to life-cycle stages, which in turn mark the significant changes in economic circumstances through life. The first stage is individuals as children, dependent on their parents. The next stage is when they marry, and then have children of their own. As parents they then pass through working life, during which their children grow up. There is a pre-retirement stage when their children have left home, and the final stage is retirement. Thus the main periods of dependence are during childhood and old age.

There are a number of problems in the demarcation of life-cycle stages. First, we use household units rather than individuals or families because households are more appropriate for measuring the impact of subsidies and indirect taxes; for example, an analysis by individuals or family units would not be appropriate for housing, and thus housing subsidies and rates, which are jointly consumed by all the members of a household. The difficulty for life-cycle analysis arises from the fact that households consist of individuals at different stages of their life-cycles. Secondly, the identification of dependency is not always straightforward. The transitions to and from dependency, *viz* attaining adulthood and retirement, are not as clear-cut as marriage or becoming a parent. For example, students who are at home for some of the year, and young workers on low wages living at home are partly independent and partly dependent. Again, many older workers do not move direct from full-time work to complete retirement but pass through a period of part-time working. A third practical difficulty in marking off life-cycle stages is that the small number of persons who become dependent on state benefits at some point in time, e.g. during illness or unemployment, cannot easily be represented in small samples such as the FES, on which these analyses are based. Finally, there are households such as single-adult households which do not fit in any particular stage of the life-cycle pattern as described above.

These difficulties mean that any classification of households by life-cycle stages must be somewhat arbitrary and imperfect. Nevertheless, we have set out the changes in the life-cycle patterns in terms of the following categories of households; these categories are not exhaustive of all households.

a 2 adults non-retired, head less than 25 years, excluding households where members are in full-time education;

b 2 adults with 1–4 children, youngest child less than 5 years;

c 2 adults with 1–4 children, youngest child 5 years or more;

d 2 adults non-retired, head between 45 and 65 years;

e 2 adults retired;

f 1 adult non-retired with children;

In all cases 2 adults is taken as 1 male and 1 female, other combinations being excluded.

Category *f* does not represent a distinct stage of the life-cycle, but it is given as an example of household types which lie outside the categories chosen, i.e. *a* to *e*.

Average incomes, taxes and benefits, 1977

By life-cycle category of households

TABLE L

	£ per year					
	2 adults, non-retired, no children, head under 25	2 adults, 1–4 children, youngest child under 5	2 adults, 1–4 children, youngest child 5 or more	2 adults, non-retired, no children head 45–65	2 adults, retired, no children	1 adult, non-retired, with children
All households						
Number of households in the sample	134	954	936	776	635	168
Original income	5,420	4,710	5,530	4,890	1,090	1,600
Direct benefits in cash:						
Family allowance/child benefit	—	110	110	—	—	110
Retirement and old age pension	—	—	10	50	1,250	—
Widows' pension	—	—	10	30	—	120
Disablement and war disability pension	—	—	—	10	20	—
Invalidity pension and allowances	—	10	20	40	60	10
Mobility allowance	—	—	10	—	20	—
Unemployment benefit	50	50	20	20	10	10
Sickness/industrial injury benefit	20	30	30	50	10	—
Industrial injury disablement benefit	—	10	10	10	10	—
Family income supplement	—	—	—	—	—	10
Supplementary benefit	30	40	50	20	70	640
Maternity benefit	—	20	—	—	—	—
Death/maternity grant	—	10	—	—	—	—
Redundancy payment	—	—	—	—	—	—
Other cash benefits	—	—	—	10	10	10
Original income *plus* cash benefits	5,530	4,980	5,800	5,130	2,550	2,510
Direct taxes:						
National Insurance	280	210	230	200	—	40
Income tax and surtax	870	680	900	960	220	140
Disposable income	4,370	4,100	4,680	3,970	2,330	2,340
Indirect subsidies						
Housing subsidy	40	80	90	100	140	200
Food subsidy	10	10	20	10	10	10
Rail travel subsidy	10	10	10	10	—	—
Indirect taxes:						
Local rates	100	130	140	130	90	110
On final goods and services	610	510	590	540	270	240
Intermediate products	230	220	250	210	120	130
Income after all taxes and transfers	3,490	3,350	3,810	3,220	2,000	2,070
Direct benefits in kind:						
Education benefit	—	260	750	10	—	590
National Health Service	190	360	300	230	390	240
Welfare foods	—	40	70	—	—	100
Income after all taxes and benefits	3,680	4,000	4,930	3,460	2,390	2,990
Number of full-time workers per household	*1·8*	*1·2*	*1·2*	*1·2*	—	*0·3*
Number of part-time workers per household	*0·1*	*0·2*	*0·5*	*0·3*	—	*0·2*
Number of persons per household	*2·0*	*3·9*	*4·0*	*2·0*	*2·0*	*2·2*

Table L shows the tax-benefit results for the six household types defined above. Not surprisingly, original income is relatively high throughout the working period. The highest levels are in the periods when the wife is most likely to be economically active. The figures for the numbers of workers per household in Table L show that in young households without children 80 per cent of wives work full-time and 10 per cent part-time. Their average household original income is then £5,420 per annum. Where there is at least one child under 5, the rates drop to 20 per cent full-time and 20 per cent part-time, and average household original income falls to £4,710 per annum. Part-time working increases again to 50 per cent for households where all the children are of school age, thus raising average income to £5,530 per annum. For 2-adult non-retired households where any children have left home, wives' economic activity rates stay at 20 per cent for full-time working but fall to 30 per cent for part-time, which lead to a drop in average household income to £4,890 per annum, despite the tendency for parents to have higher individual earnings at this more advanced stage in their life-cycle.

Disposable income shows a less cyclic pattern than original income. This is due mainly to the tax system. Both the progressive form of direct taxes and the increase in tax allowances with the number of dependants mean that taxes are proportionately higher during those stages in the life-cycle when income is higher and when family size is lower.

Thus direct taxes as a proportion of original income plus cash benefits are highest, at 22 per cent, for households during the working part of the life-cycle when they have no children, and lowest, at 18 per cent, when they have children who are too young to attend school.

Low incomes are associated, first, with the later stages of the life-cycle, when people have retired and become dependent on the state or on their past savings, and secondly with special circumstances, such as widowhood or divorce. At such times, inadequate original income is supplemented by cash benefits, such as pensions for retired households and supplementary benefits for one-adult households with children. Because of the difficulties, no attempt is made here to compare the adequacy of disposable income for meeting the differing needs of people at different stages of the life-cycle.

Chart 4 shows the balance of allocated taxes and benefits for the six different groups by quintile groups of original income. This reinforces the analysis above. First, cash benefits are concentrated amongst the elderly and special groups, but also those with low incomes at other points of the life-cycle. Secondly, education is the main factor in the very high levels of indirect benefit which go to households at times when they have dependent children. Thirdly, the highest direct taxes are paid by the highest income groups in the two stages immediately preceding retirement, i.e. groups with older children and those between 45 and 65 without children. The explanation is that in these stages income tends on average to come much more from one earner rather than spread evenly between two earners, thus resulting in a higher marginal tax take than otherwise. Finally, cash benefits, mainly pensions and sickness benefits, are significantly higher amongst the low income group of older workers without children than the younger (i.e. 2 adults, head under 25), illustrating the progressive onset of old age in the life-cycle, which is itself a part explanation of their low income.

Central Statistical Office

APPENDIX 1

Methodology and Definitions

Family Expenditure Survey

The estimates in this article are based mainly on data derived from the Family Expenditure Survey (FES). The FES is a continuous survey of the expenditure of private households. People living in hotels, lodging houses, and in institutions such as old peoples' homes are excluded. Each respondent keeps a full record of all payments made during 14 consecutive days and answers questions about hire purchase and other payments. Households are also asked in detail about their income from all sources, but there is no systematic linkage of income and expenditure to yield a balanced household budget for any particular period. Every household member aged 16 and over is asked to give detailed information where appropriate about income, including national insurance and other cash benefits received from the state and payments of income tax. Information on age, occupation, kinds of education being received, family composition and housing tenure is also obtained.

One of the main purposes of the FES is to yield information on household expenditure patterns to produce the weights used in compiling the index of retail prices. The survey is conducted by the Office of Population Censuses and Surveys on behalf of the Department of Employment who analyse and report on it. The latest report is the *Family Expenditure Survey Report for 1977*. Details of the survey method are set out in *Family Expenditure Survey – Handbook on the sample, fieldwork and coding procedure* by W. F. F. Kemsley. Both are published by Her Majesty's Stationery Office.

The number of households co-operating in the FES in 1977 was 7,198, five less than in 1976.

Unit of analysis

The basic unit of analysis in the article is the household. One of the major reasons for this choice is that it is more appropriate than the family or the individual for determining the redistributive effect of indirect taxes and subsidies. Spending on many items, particularly on housing, fuel and light and food, is largely joint spending by the members of the household. Without further information therefore it would not be possible to apportion indirect taxes or the effects of housing and food subsidies to individuals or other sub-divisions of households, except in a highly arbitrary way.

However, very little is known about the extent to which income is pooled within households or other groupings. Since the analysis is based on the whole household, no assumptions about such pooling have been made. Consequently, it would not be correct to use the analysis to discuss the living standards of the individual members of a household. For example, the standard of living of an old person living in the household may be different from that of the household as a whole. This is also one reason why, for example, unemployment benefit and old age pensions are received by households whose overall position in the income distribution would seem to make them ineligible.

Over time, changes in the pattern of household size and composition affect the shape of the distribution and redistribution of income. For example, increases in the number of older people in the population and a reduction in birth rates have led to a reduction in average household size. This change coupled with earlier retirement has been a factor in the increase in pensions, in other benefits which accrue to retired members of households, and in expenditure on the health service.

A household is defined in the FES as comprising persons who live at the same address and who share common catering for at least one meal a day. In order to maintain comparability with earlier years all persons aged 16 and over are counted as adults in this article.

A retired household is defined as one in which the combined income of members who are at least 60 and who describe themselves as retired or unoccupied amounts to at least half the total gross income of the household. A pensioner household is defined as one in which more than three quarters of the household income consists of national insurance or retirement and similar state pensions, or supplementary allowances supplementing such pensions.

There is some evidence that households who respond to the FES differ from those who do not (see 'Family Expenditure Survey: a study of differential response based on a comparison of the 1971 sample with the census' by W. F. F. Kemsley, *Statistical News* No 31, November 1975 (HMSO)). The effect of this differential response on the accuracy of the estimates of redistribution is the subject of an article 'Differential response in the Family Expenditure Survey: the effect on estimates of redistribution of income' by R Harris in *Statistical News* No 39, November 1977 (HMSO).

The available evidence suggests that older households, households where the head is self-employed and those without children are less likely to co-operate than others. There are regional variations in response; for example in the Greater London area it is noticeably lower than in other areas. There are also indications that higher income households are less likely to respond. It is not practicable at present to correct for any consequential non-response bias; the results in the article are based on the responses of those households which actually co-operated in the survey.

Income: redistributive stages

Stage one

Original income *plus* benefits in cash *minus* direct taxes = Disposable income.

Stage two

Disposable income *plus* subsidies *minus* indirect taxes = Income after all taxes and transfers.

Stage three

Income after all taxes and transfers *plus* benefits in kind = Income after all taxes and benefits (final income).

The starting point of the analysis is *original income*. This is income in cash and kind of all members of the household before the deduction of taxes or the addition of any state benefits. The original income of the household is the total combined income of the members of the household from employment, self-employment and investment, including occupational pensions. It is based on a concept of normal income around which the FES income questions are structured. Normal income is a function of the income received in the pay period preceding the interview (usually a week or a month), adjusted, in those cases where the last payment was abnormal, to take account of the amount usually received. Allowance is also made for periods of absence from work through sickness and unemployment, and for occasional payments. In the case of investment and self-employment income the normal income figure is taken as the amount received in the last twelve months for which details are available from the respondent.

Some income in kind is included, though the coverage of fringe benefits is not comprehensive. Households living in owner-occupied or rent-free dwellings are assigned an imputed income based upon the rateable value of the dwelling. The various components of income are converted to estimated normal annual rates.

The next stage of the analysis is to show the distribution of cash benefits and to add these to original income to obtain *original income plus cash benefits*. Cash benefits are:

Family allowances and child benefit
Retirement and old-age pension, widow's pension, disablement and war disability pension, invalidity pension and allowance, mobility allowance
Unemployment benefit, sickness, industrial injury and industrial injury disablement benefit
Family income supplement
Supplementary benefit
Maternity allowance
Death and maternity grants
Redundancy payment
Other cash benefits

Supplementary benefit includes all supplementary allowances where they are separately distinguished by respondents. The amount of benefit is taken as the amount received by the household in the 12 months prior to interview. Redundancy benefit is the sole exception to this; the amount of benefit received is divided by the number of years it is intended to cover.

Direct taxes are then deducted to give *disposable income*. Direct taxes are:

Income tax
Surtax
Employees' and self-employed contributions to national insurance and national health services.

The estimates are based on the amount deducted from the last payment in the case of employment incomes and on the amount paid in the last 12 months for which figures are available in the case of self-employment and investment incomes.

As original income includes some elements of income in kind, particularly imputed rent of owner occupiers, disposable income as defined here does not correspond exactly to money available for the household to spend. It does however give an indication of the resources which are available to the household and which influence spending decisions.

One of the basic problems of allocating government revenues and expenditures to households is in identifying the ultimate payer or recipient. In some cases, for example corporation tax, this is impracticable or highly controversial and so we prefer not to allocate the items concerned. Even for those we do allocate the criteria used are sometimes questionable. Thus, the lack of data forces us to assume that the incidence of net direct taxes falls on the individual from whose income the tax is deducted. The analysis implies that the benefit of tax relief, for example mortgage tax relief, accrues directly to the tax payer rather than to some other party, for example, the vendor of the land. It also implies that no section of the working population has been able to pass the cost of the direct tax back to employers through lower profits, or to consumers through higher prices. The major taxes not allocated are corporation tax and taxes on capital.

The order in which the remaining allocated items are presented is to some extent arbitrary. First, we add subsidies less indirect taxes to disposable income to obtain *income after all taxes and transfers*. This corresponds closely to 'available income' in the United Nations recommendations for systems of national accounts, and to the 'factor cost' concept of consumers' expenditure shown in the national income Blue Books; the factor cost is calculated by subtracting indirect taxes from consumers' expenditure at market prices and adding consumer subsidies. The subsidies are:

Housing subsidies
Food subsidies
Rail travel subsidies

The total housing subsidy for local authority tenants is defined as the difference between current account expenditure by public authorities on housing (the sum of the 'economic rents') and the rent paid by tenants of local authority dwellings. For each local authority dwelling in the sample the subsidy is derived as the excess of the estimated economic rent over the actual rent paid by the tenant. The subsidy therefore includes any rent rebates which the tenant may be allowed. The economic rent for each dwelling is calculated by multiplying the rateable value of that dwelling by the ratio of the total current account expenditure on all dwellings owned by the local authority to the total rateable value of those dwellings. In the case of non-local authority tenants the value of any rent allowances received is counted as a housing subsidy, and is not included in original income.

Food subsidies for each household are estimated by calculating the ratio of the total cost of the subsidies to consumers' expenditure on the subsidised product field. The subsidy factors derived in this way are applied to actual expenditure by the household on the product field covered. It is not possible to distinguish expenditure on subsidised and unsubsidised categories within each product field. Consumer subsidies on milk, butter, cheese, household flour, bread and tea are calculated in this way.

In line with practice in earlier years, agricultural subsidies are regarded as forming part of the original income of

farmers and not as benefits to the consumer. The subsidies do not include payments by the European Economic Community because reliable estimates of them are not available for 1977.

The rail travel subsidies allocated are those to British Rail and to London Transport railways (the Underground). They are estimated in a way similar to food subsidies, i.e. by calculating the ratio of the cost of the subsidy to consumers' expenditure on rail fares. In allocating the British Rail subsidy the total subsidy paid is apportioned between freight and passenger services by the receipts of British Rail for their freight and passenger business and then a further apportionment between the personal and the business and other sectors is made. This gives the amount of subsidy attributable to rail travel by the personal sector. In allocating the subsidy to London Transport railways the total subsidy to London Transport is apportioned between tube and bus services by the receipts of these sections with an allowance for the use of the Underground for business purposes.

A more detailed account of the treatment of subsidies is given in an article, 'The redistributive effect of subsidies on households', in *Economic Trends* No 289, November 1977.

Indirect taxes on final consumer goods and services are:

Local authority rates on dwellings (after rebates)
Duties on beer, wines, spirits, tobacco, oil, betting, etc.
Value added tax (VAT)
Car tax
Motor vehicle duties
Driving licences
Television licences
Stamp duties

These taxes are either levied directly on the consumer (for example local rates) or are assumed to be fully incident on the consumer. For example, the amount of VAT which is paid by the household is calculated from the household's total expenditure on goods and services subject to VAT. Where goods are subject to both excise duties and VAT, the VAT is consolidated with the excise duty. Thus 'duty on wines' includes both excise duty and VAT.

VAT and car tax affect the prices of secondhand cars and are therefore assumed to be incident on the purchaser of such cars. Expenditure recorded in the FES on alcoholic drink, tobacco, ice cream, soft drinks and confectionery is weighted to allow for the known under-recording of these items in the sample. The true expenditure in each case is assumed to be proportional to the recorded expenditure. It should be noted that local authority rates are paid in full by recipients of supplementary benefit as the supplementary benefit payments they receive include an allowance for this item.

Indirect taxes on intermediate goods and services are:

Local authority rates on commercial and industrial property
Motor vehicle duties
Duties on hydrocarbon oils
Import duties
Stamp duties

Employers' contributions to national insurance, the National Health Service, the industrial injuries fund and the redundancy payments scheme.

These taxes are those that fall on goods and services purchased by industry and used in the production of goods and services for final consumption by consumers. That part which falls on goods and services bought by consumers is assumed to be fully shifted to the consumer. Their allocation between different categories of consumers' expenditure is based on the relation between intermediate production and final demand, estimated using input-output techniques.

Finally, we add the effect of those state benefits in kind for which there is a reasonable basis for allocation to households, to obtain *income after all taxes and benefits*. Benefits in kind are:

National Health Service
School health service
State education
Scholarships and education grants from public funds
School meals, milk and other welfare foods.

The measure of the benefit of the National Health Service to households is the cost of providing the service. That cost is estimated by the Department of Health and Social Security according to the use made of the service by individuals of different ages and sex. It is then applied to the households in the FES in the corresponding age-sex groups. The benefit of the maternity services is assigned separately to those households in receipt of maternity benefit.

Education benefit is estimated by the Department of Education and Science as the cost per pupil or student of providing the various educational services, such as special schools, primary, secondary and direct grant schools, universities and teacher training colleges. The value of the benefit attributed to households depends on the number of persons in the household recorded in the FES as receiving each kind of education. Actual scholarship payments by the state are added to this figure and the fees and contributions made by parents subtracted to arrive at a final net benefit for each household.

The value of school meals and other welfare foods is based on their cost to the public authorities. Any payment by the individual households is subtracted to arrive at a net contribution.

Previous articles

This article is the latest in an annual series. Earlier articles covering the years 1957 to 1976 were published in the following issues of *Economic Trends:* November 1962, February 1964, August 1966, February 1968, 1969, 1970, 1971, 1972, November 1972 and 1973, December 1974, February 1976, December 1976 and February 1978. The December 1974 article contains a comprehensive account of the methods employed and the changes in treatment over the years. As far as is practicable with the resources available the Central Statistical Office will provide on request analyses for 1977 on a basis comparable with those for earlier years. Enquiries should be addressed to D. Westcott, Branch 13, Central Statistical Office, Great George Street, London SW1P 3AQ, telephone 01-233-4478.

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General government expenditure[1] in 1972 and 1977

TABLE 1

	1972		1977	
	£ million	*Percentage of total expenditure*	£ million	*Percentage of total expenditure*
Allocated expenditure				
Allocated cash benefits and subsidies[2]				
Benefits in cash	4,930	*18·7*	12,700	*20·5*
Subsidies				
Housing (including rent rebates and allowances)	390	*1·5*	1,880	*3·0*
Food	—	—	230	*0·4*
Rail travel	40	*0·2*	240	*0·4*
Allocated benefits in kind				
Health services	2,360	*9·0*	6,310	*10·2*
Education	2,860	*10·9*	7,180	*11·6*
School meals, milk, welfare foods	160	*0·6*	450	*0·7*
	10,740	*40·8*	28,990	*46·8*
Unallocated expenditure				
Other current expenditure on social, environmental and protective services				
Social services				
Social security benefits				
Administration	250	*0·9*	680	*1·1*
Personal social services	330	*1·3*	1,200	*1·9*
Other	10	—	20	—
Environmental services				
Housing	30	*0·1*	220	*0·4*
Water, sewerage, land drainage, and public health	300	*1·1*	580	*0·9*
Parks, etc.	100	*0·4*	340	*0·6*
Miscellaneous local authority services	190	*0·7*	650	*1·0*
Libraries, museums, and arts	110	*0·4*	320	*0·5*
Protective services				
Police	450	*1·7*	1,130	*1·8*
Parliaments, courts and prisons	200	*0·8*	590	*1·0*
Fire services	100	*0·4*	230	*0·4*
	2,070	*7·9*	5,960	*9·6*
Capital expenditure on social, environmental and protective services				
Social services	810	*3·1*	1,140	*1·8*
Environmental services				
Housing	1,100	*4·2*	3,010	*4·9*
Other	570	*2·2*	640	*1·0*
Protective services	50	*0·2*	150	*0·2*
	2,530	*9·6*	4,930	*8·0*
Other current expenditure				
Defence and external relations	3,290	*12·5*	7,990	*12·9*
Roads, transport and communications	500	*1·9*	1,410	*2·3*
Industry, trade, agriculture, research and employment	1,240	*4·7*	2,190	*3·5*
Other	640	*2·4*	1,200	*1·9*
	5,670	*21·5*	12,790	*20·6*
Other capital expenditure	2,670	*10·1*	1,820	*2·9*
Debt interest	2,290	*8·7*	6,540	*10·5*
Non-trading capital consumption	350	*1·3*	950	*1·5*
Total expenditure	26,320	*100·0*	61,960	*100·0*

[1] This table and Table 2 relate to the combined expenditure of central government and local authorities, excluding transactions between the two sectors. Prior to the 1976 article, the tables related to consolidated public sector expenditure, a presentation no longer used in the national accounts. Whereas the present figures include general government payments to and receipts from public corporations, the former tables included the income and expenditure of public corporations other than their receipts from and payments to general government.

[2] Including benefits to people not living in private households.

Source: *National Income and Expenditure 1967–77*, Table 9.4

Financing of general government[1] expenditure in 1972 and 1977

TABLE 2

	1972		1977	
	£ million	*Percentage of total financing*	£ million	*Percentage of total financing*
Allocated financing				
Allocated taxes[2]				
Direct taxes				
Income and surtax	6,660	*25·3*	17,420	*28·1*
Employees' and self-employed NI contributions	1,630	*6·2*	3,780	*6·1*
Indirect taxes				
On final goods and services	6,000	*22·8*	13,150	*21·2*
On intermediate goods and services	2,140	*8·1*	4,420	*7·1*
	16,430	*62·4*	38,770	*62·6*
Unallocated financing				
Unallocated taxes				
Corporation tax, etc.	1,430	*5·4*	2,880	*4·6*
Taxes on expenditure not allocated to consumers' expenditure	1,860	*7·1*	5,280	*8·5*
Employers' NI contributions not allocated to consumers' expenditure	970	*3·7*	3,260	*5·3*
Taxes on capital	760	*2·9*	910	*1·5*
	5,020	*19·1*	12,330	*19·9*
Other receipts[3]	2,760	*10·5*	6,220	*10·0*
Government borrowing requirement	2,110	*8·0*	4,650	*7·5*
Total financing	26,320	*100·0*	61,960	*100·0*

[1] See footnote [1] of Table 1.
[2] Including taxes paid by people not living in private households.
[3] Receipts of rent, interest, dividends, trading income and miscellaneous transactions (net).

Source: *National Income and Expenditure 1967–77*, Table 9.1

Average incomes, taxes and benefits, 1972 and 1977

By decile groups of original income within household type

TABLE 3

	£ per year										
	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
1977											
Deciles	*122*	*775*	*2,159*	*3,203*	*4,025*	*4,788*	*5,637*	*6,631*	*8,308*		
(i) **All households**											
Number of households in the sample	720	720	719	720	720	720	720	719	720	720	7,198
Original income	20	392	1,442	2,703	3,607	4,411	5,194	6,096	7,392	11,079	4,234
Direct benefits in cash											
Family allowance/child benefit	18	13	21	43	54	63	56	59	56	53	43
Pensions	846	970	746	331	197	128	115	104	82	114	363
Unemployment/sickness/injury benefit	31	43	107	87	69	44	42	41	39	36	54
Other direct benefits	463	160	128	92	50	50	38	34	42	16	108
Original income and cash benefits	1,378	1,578	2,444	3,256	3,977	4,696	5,445	6,334	7,611	11,298	4,802
Direct taxes	1	15	168	461	660	893	1,060	1,306	1,637	2,749	895
Disposable income	1,378	1,564	2,275	2,795	3,317	3,802	4,385	5,028	5,974	8,549	3,907
Subsidies	226	143	135	129	102	101	100	86	90	94	121
Indirect taxes	277	328	514	673	755	857	966	1,056	1,242	1,557	823
Income after all taxes and transfers	1,328	1,379	1,897	2,251	2,663	3,047	3,519	4,058	4,822	7,085	3,205
Direct benefits in kind											
Education	111	112	183	273	295	349	354	348	420	447	289
National Health Service	258	291	280	272	288	290	290	294	304	333	290
Welfare foods	18	11	20	26	26	30	27	28	31	25	24
Income after all taxes and benefits	1,714	1,792	2,380	2,823	3,271	3,715	4,191	4,727	5,577	7,891	3,808
1972											
Deciles	*92*	*552*	*1,139*	*1,541*	*1,876*	*2,202*	*2,561*	*3,033*	*3,793*		
(i) **All households**											
Number of households in the sample	702	701	702	702	702	701	702	702	701	702	7,017
Original income	21	284	871	1,354	1,719	2,029	2,378	2,786	3,374	5,157	1,997
Direct benefits in cash											
Family allowance	7	6	20	22	29	26	27	25	23	24	21
Pensions	345	399	218	93	54	45	46	39	41	42	133
Unemployment/sickness/injury benefit	23	35	58	42	35	21	17	19	20	12	28
Other direct benefits	172	63	47	30	14	15	8	10	9	7	38
Original income and cash benefits	569	786	1,213	1,541	1,852	2,136	2,476	2,880	3,466	5,243	2,216
Direct taxes	—	11	83	175	243	307	387	468	600	1,046	332
Disposable income	569	775	1,130	1,366	1,609	1,829	2,090	2,412	2,866	4,198	1,884
Subsidies	40	30	33	33	30	25	23	22	23	22	28
Indirect taxes	125	179	269	331	375	408	451	515	592	780	403
Income after all taxes and transfers	484	626	894	1,068	1,264	1,446	1,662	1,919	2,297	3,440	1,510
Direct benefits in kind											
Education	63	49	101	110	146	147	163	180	190	209	136
National Health Service	98	108	107	110	113	118	112	109	112	122	111
Welfare foods	6	4	10	8	7	6	8	7	7	6	7
Income after all taxes and benefits	651	788	1,112	1,295	1,531	1,717	1,944	2,214	2,606	3,777	1,764

Average incomes, taxes and benefits, 1972 and 1977

By decile groups of original income within household type

TABLE 3 (*continued*)

£ per year

	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
1977											
Deciles	—	—	*9*	*58*	*155*	*285*	*421*	*678*	*1,268*		
(ii) **1 Adult retired**											
Number of households in the sample	86	85	86	86	86	85	86	86	85	86	857
Original income	—		2	32	104	218	357	533	947	2,858	506
Direct benefits in cash											
Retirement and old age pension	750		811	776	749	791	785	746	752	701	761
Other pensions	28		32	24	37	28	37	59	59	51	38
Supplementary benefit	300		397	314	182	75	40	27	10	10	165
Other direct benefits	17		22	7	29	7	20	32	14	17	18
Original income and cash benefits	1,095		1,264	1,151	1,102	1,120	1,239	1,398	1,781	3,636	1,488
Direct taxes	—		—	1	6	4	15	27	142	746	94
Disposable income	1,095		1,264	1,150	1,097	1,115	1,224	1,371	1,640	2,890	1,394
Subsidies	169		142	188	145	165	147	94	67	27	131
Indirect taxes	197		222	193	196	186	215	249	298	479	243
Income after all taxes and transfers	1,067		1,185	1,146	1,046	1,094	1,155	1,216	1,409	2,439	1,282
Direct benefits in kind											
National Health Service	208		210	213	203	214	209	204	200	201	207
Income after all taxes and benefits	1,275		1,395	1,359	1,249	1,308	1,364	1,419	1,609	2,639	1,489
1972											
Deciles	—	—	*4*	*26*	*63*	*104*	*186*	*316*	*666*		
(ii) **1 Adult retired**											
Number of households in the sample	69	70	69	70	69	69	70	69	70	69	694
Original income	—		1	13	45	85	136	249	483	1,466	247
Direct benefits in cash											
Retirement and old age pension	289		312	315	317	299	307	309	266	282	299
Other pensions	25		28	25	11	9	34	21	43	16	24
Supplementary benefit	130		137	128	86	53	51	9	4	—	73
Other direct benefits	14		10	—	6	17	10	1	2	5	8
Original income and cash benefits	458		488	482	465	462	540	589	797	1,770	650
Direct taxes	—		—	—	1	2	4	14	59	362	44
Disposable income	458		488	482	464	460	536	575	738	1,407	606
Subsidies	41		38	40	21	21	21	20	14	11	27
Indirect taxes	86		98	94	79	83	114	111	125	230	111
Income after all taxes and transfers	413		428	428	406	399	443	484	627	1,188	522
Direct benefits in kind											
National Health Service	77		76	78	77	80	76	76	71	75	76
Income after all taxes and benefits	491		504	506	482	478	519	560	699	1,263	599

Average incomes, taxes and benefits, 1972 and 1977

By decile groups of original income within household type

TABLE 3 *(continued)*

£ per year

	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
1977											
Deciles	*475*	*1,133*	*1,778*	*2,324*	*2,683*	*3,126*	*3,614*	*4,263*	*5,491*		
(iii) **1 Adult non-retired**											
Number of households in the sample	56	56	57	56	56	56	56	57	56	56	562
Original income	124	807	1,464	2,089	2,495	2,908	3,343	3,952	4,793	7,150	2,912
Direct benefits in cash											
Family allowance/child benefit	—	—	—	—	—	—	—	—	—	—	—
Pensions	455	459	359	224	164	90	62	100	12	55	197
Unemployment/sickness/injury benefit	62	74	62	35	20	54	25	8	5	3	35
Other direct benefits	342	45	26	22	1	19	21	1	23	1	49
Original income and cash benefits	982	1,385	1,909	2,369	2,680	3,071	3,452	4,061	4,833	7,208	3,194
Direct taxes	−3	52	198	388	585	761	800	1,020	1,222	1,877	690
Disposable income	985	1,333	1,710	1,981	2,094	2,310	2,651	3,041	3,611	5,330	2,504
Subsidies	259	167	101	108	72	58	70	35	65	22	96
Indirect taxes	267	305	333	465	514	534	583	670	776	1,039	548
Income after all taxes and transfers	976	1,197	1,477	1,624	1,652	1,834	2,138	2,405	2,900	4,314	2,051
Direct benefits in kind											
Education	269	62	—	65	62	18	—	1	—	19	50
National Health Service	101	138	119	110	111	112	98	99	94	95	108
Welfare foods	—	—	—	—	—	—	—	—	—	—	—
Income after all taxes and benefits	1,345	1,398	1,596	1,800	1,825	1,964	2,236	2,505	2,994	4,428	2,209
1972											
Deciles	*220*	*520*	*782*	*1,008*	*1,168*	*1,328*	*1,578*	*1,864*	*2,370*		
(iii) **1 Adult non-retired**											
Number of households in the sample	50	50	50	50	50	50	50	50	50	50	500
Original income	67	368	659	904	1,089	1,262	1,464	1,722	2,085	3,112	1,273
Direct benefits in cash											
Family allowance	—	—	—	—	—	—	1	—	3	—	—
Pensions	178	266	134	86	69	37	36	22	32	33	89
Unemployment/sickness/injury benefit	26	17	15	20	8	16	13	6	9	3	14
Other direct benefits	185	9	9	24	1	3	2	1	1	8	24
Original income and cash benefits	455	660	818	1,035	1,168	1,319	1,517	1,750	2,129	3,156	1,401
Direct taxes	−5	20	71	138	184	237	263	348	429	727	241
Disposable income	460	640	747	897	984	1,082	1,254	1,401	1,700	2,429	1,159
Subsidies	43	35	27	35	17	15	38	9	8	12	24
Indirect taxes	123	137	150	201	229	230	310	292	360	473	251
Income after all taxes and transfers	380	538	624	731	772	867	982	1,118	1,348	1,968	932
Direct benefits in kind											
Education	98	20	—	16	—	—	—	—	—	1	14
National Health Service	39	52	43	41	41	37	34	38	39	33	40
Welfare foods	—	—	—	—	—	—	—	—	—	—	—
Income after all taxes and benefits	518	610	667	788	813	903	1,015	1,156	1,387	2,003	986

Average incomes, taxes and benefits, 1972 and 1977

By decile groups of original income within household type

TABLE 3 (*continued*)

	£ per year										
	Decile groups										Average over all decile groups
	1st	2nd	3rd.	4th	5th	6th	7th	8th	9th	10th	
1977											
Deciles		—	*81*	*208*	*333*	*506*	*735*	*1,066*	*1,535*	*2,853*	
(*iv*) **2 adults retired**											
Number of households in sample	68	68	68	68	68	68	68	68	68	68	680
Original income	—	22	151	270	415	598	900	1,293	2,086	5,425	1,116
Direct benefits in cash											
Retirement and old age pension	1,184	1,306	1,331	1,275	1,312	1,246	1,306	1,199	1,260	1,170	1,259
Other pensions	105	133	40	91	95	98	52	130	40	16	79
Supplementary benefits	222	250	127	105	27	18	—	3	3	1	76
Other direct benefits	20	105	60	23	61	54	68	35	61	48	52
Original income and cash benefits	1,530	1,816	1,709	1,764	1,912	2,014	2,326	2,659	3,450	6,660	2,584
Direct taxes	—	1	3	3	25	30	84	194	425	1,545	231
Disposable income	1,530	1,815	1,707	1,761	1,887	1,984	2,242	2,465	3,024	5,115	2,353
Subsidies	313	320	225	151	175	110	71	80	45	40	152
Indirect taxes	314	356	318	334	405	412	490	539	634	941	474
Income after all taxes and transfers	1,528	1,780	1,614	1,577	1,658	1,681	1,823	2,007	2,436	4,214	2,032
Direct benefits in kind											
Education	28	—	—	—	—	—	—	—	—	—	3
National Health Service	384	398	400	396	399	386	394	385	375	362	388
Income after all taxes and benefits	1,941	2,179	2,013	1,973	2,057	2,068	2,218	2,393	2,811	4,576	2,423
1972											
Deciles		—	*38*	*86*	*137*	*208*	*337*	*486*	*755*	*1,251*	
(*iv*) **2 adults retired**											
Number of households in the sample	57	56	57	56	57	57	56	57	56	57	566
Original income	—	12	63	112	174	267	420	591	960	2,402	501
Direct benefits in cash											
Retirement and old age pension	483	480	536	487	498	536	452	501	499	449	492
Other pensions	29	78	11	50	36	16	80	68	31	15	41
Supplementary benefits	124	121	77	67	56	13	22	—	3	4	49
Other direct benefits	30	22	2	28	6	24	21	13	14	17	17
Original income and cash benefits	667	711	689	743	770	856	994	1,172	1,506	2,887	1,100
Direct taxes	—	1	3	1	4	10	8	72	160	691	96
Disposable income	667	709	686	742	766	847	986	1,100	1,346	2,197	1,005
Subsidies	48	56	36	39	33	18	28	7	2	2	27
Indirect taxes	155	164	175	183	169	193	236	276	284	416	225
Income after all taxes and transfers	560	601	547	598	630	672	778	831	1,064	1,783	807
Direct benefits in kind											
Education	—	—	—	—	—	—	27	—	—	—	3
National Health Service	146	140	145	136	148	144	134	142	144	142	142
Income after all taxes and benefits	705	742	692	734	779	815	940	972	1,209	1,925	952

Average incomes, taxes and benefits, 1972 and 1977

By decile groups of original income within household type

TABLE 3 (*continued*)

£ per year

	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
1977											
Deciles	*1,868*	*2,823*	*3,468*	*4,145*	*4,786*	*5,329*	*6,003*	*6,883*	*8,230*		
(v) **2 adults non-retired**											
Number of households in the sample	161	161	161	161	162	161	161	161	161	161	1,611
Original income	1,011	2,375	3,162	3,812	4,475	5,053	5,683	6,399	7,488	10,915	5,037
Direct benefits in cash											
Family allowance/child benefit	—	1	—	—	—	—	—	—	—	1	—
Pensions	815	524	217	234	148	109	54	55	35	87	228
Unemployment/sickness/injury benefit	148	94	53	78	48	28	39	24	23	11	54
Other direct benefits	190	78	36	42	20	20	13	3	20	7	42
Original income and cash benefits	2,163	3,073	3,467	4,166	4,691	5,211	5,789	6,481	7,566	11,021	5,362
Direct taxes	93	383	636	769	1,028	1,085	1,302	1,549	1,814	2,865	1,153
Disposable income	2,070	2,689	2,831	3,397	3,664	4,126	4,487	4,933	5,752	8,155	4,210
Subsidies	170	142	123	83	103	88	102	54	64	48	98
Indirect taxes	499	662	674	760	852	936	959	1,059	1,109	1,313	883
Income after all taxes and transfers	1,743	2,170	2,280	2,719	2,914	3,280	3,630	3,928	4,705	6,891	3,426
Direct benefits in kind											
Education	128	57	70	54	58	19	13	16	28	30	47
National Health Service	278	267	235	239	223	213	211	206	200	210	228
Welfare foods	—	—	—	—	—	—	—	—	—	1	—
Income after all taxes and benefits	2,149	2,494	2,584	3,012	3,195	3,512	3,853	4,150	4,934	7,132	3,701
1972											
Deciles	*776*	*1,267*	*1,533*	*1,805*	*2,059*	*2,349*	*2,655*	*3,048*	*3,746*		
(v) **2 adults non-retired**											
Number of households in the sample	157	158	157	158	157	157	158	157	158	157	1,574
Original income	394	1,048	1,405	1,669	1,930	2,208	2,497	2,838	3,360	5,190	2,254
Direct benefits in.cash											
Family allowance	—	—	—	—	—	—	—	—	—	—	—
Pensions	323	177	105	71	45	46	31	36	17	27	88
Unemployment/sickness/injury benefit	88	52	24	38	27	18	15	14	10	3	29
Other direct benefits	101	41	28	8	12	8	4	2	—	—	20
Original income and cash benefits	905	1,316	1,562	1,787	2,015	2,279	2,547	2,890	3,389	5,221	2,391
Direct taxes	16	123	211	270	310	394	467	547	661	1,140	414
Disposable income	890	1,194	1,351	1,517	1,705	1,885	2,080	2,343	2,728	4,081	1,977
Subsidies	39	33	31	26	26	21	17	16	15	12	23
Indirect taxes	234	273	330	339	395	435	435	534	551	687	421
Income after all taxes and transfers	695	954	1,052	1,204	1,336	1,471	1,662	1,825	2,192	3,406	1,579
Direct benefits in kind											
Education	64	11	24	17	28	23	—	25	—	13	21
National Health Service	106	95	90	82	85	83	73	72	69	72	83
Welfare foods	—	—	—	—	—	—	—	—	—	—	—
Income after all taxes and benefits	865	1 060	1,166	1,302	1,449	1,576	1,735	1,922	2,261	3,491	1,683

Average incomes, taxes and benefits, 1972 and 1977

By decile groups of original income within household type

TABLE 3 (*continued*)

£ per year

	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
1977											
Deciles	*2,443*	*3,310*	*3,783*	*4,270*	*4,700*	*5,187*	*5,773*	*6,475*	*7,880*		
(*vi*) **2 adults, 1-4 children**											
Number of households in the sample	192	193	192	193	192	192	193	192	192	193	1,924
Original income	1,375	2,923	3,551	4,043	4,487	4,948	5,483	6,110	7,073	10,827	5,083
Direct benefits in cash											
Family allowance/child benefit	111	106	104	102	111	105	105	108	113	110	108
Pensions	194	45	9	18	—	14	4	3	1	34	32
Unemployment/sickness/injury benefit	322	89	45	57	37	21	29	26	12	10	65
Other direct benefits	475	81	32	53	26	24	39	23	19	12	78
Original income and cash benefits	2,478	3,245	3,740	4,273	4,660	5,112	5,660	6,271	7,217	10,994	5,366
Direct taxes	44	328	597	708	845	938	1,022	1,264	1,542	2,645	994
Disposable income	2,434	2,917	3,143	3,564	3,815	4,174	4,637	5,007	5,676	8,348	4,373
Subsidies	239	177	93	120	86	99	79	82	59	62	110
Indirect taxes	654	736	775	805	850	883	965	990	1,103	1,368	913
Income after all taxes and transfers	2,019	2,357	2,462	2,880	3,052	3,390	3,751	4,098	4,632	7,042	3,569
Direct benefits in kind											
Education	608	481	413	462	480	502	525	524	542	537	507
National Health Service	333	338	332	325	329	321	321	321	318	323	326
Welfare foods	89	54	41	44	57	46	50	51	64	53	55
Income after all taxes and benefits	3,048	3,230	3,248	3,711	3,918	4,258	4,646	4,993	5,556	7,954	4,457
1972											
Deciles	*1,161*	*1,491*	*1,734*	*1,925*	*2,103*	*2,314*	*2,575*	*2,938*	*3,533*		
(*vi*) **2 adults, 1-4 children**											
Number of households in the sample	209	209	209	209	209	209	209	209	209	209	2,090
Original income	759	1,346	1,621	1,832	2,010	2,212	2,445	2,750	3,191	4,966	2,313
Direct benefits in cash											
Family allowance	53	44	45	47	36	45	45	43	45	47	45
Pensions	76	24	8	7	11	6	1	7	—	10	15
Unemployment/sickness/injury benefit	149	41	31	27	18	11	11	10	7	3	31
Other direct benefits	130	26	12	17	8	10	3	8	4	2	22
Original income and cash benefits	1,166	1,482	1,716	1,930	2,083	2,285	2,505	2,819	3,246	5,029	2,426
Direct taxes	22	130	174	253	282	335	385	434	537	928	348
Disposable income	1,145	1,351	1,542	1,677	1,801	1,951	2,120	2,385	2,709	4,100	2,078
Subsidies	56	35	31	34	18	23	23	13	11	7	25
Indirect taxes	320	344	379	375	399	413	453	479	513	695	437
Income after all taxes and transfers	881	1,042	1,194	1,336	1,420	1,561	1,690	1,919	2,207	3,412	1,666
Direct benefits in kind											
Education	237	183	187	191	169	199	227	214	239	261	211
National Health Service	141	141	131	137	130	134	117	120	115	112	128
Welfare foods	26	13	11	9	8	12	11	12	14	12	13
Income after all taxes and benefits	1,284	1,380	1,523	1,674	1,727	1,907	2,045	2,265	2,576	3,797	2,018

Average incomes, taxes and benefits, 1972 and 1977

By decile groups of original income within household type

TABLE 3 *(continued)*

£ per year

	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
1977											
Deciles	*1,377*	*3,219*	*4,386*	*5,295*	*6,110*	*6,920*	*7,779*	*8,799*	*10,611*		
(vii) **Other households**											
Number of households in the sample	156	157	156	157	156	156	157	156	157	156	1,564
Original income	339	2,377	3,840	4,871	5,681	6,539	7,326	8,273	9,597	13,501	6,234
Direct benefits in cash											
Family allowance/child benefit	113	77	68	65	68	60	63	62	52	50	68
Pensions	565	694	463	367	279	146	138	163	113	128	306
Unemployment/sickness/injury benefit	111	184	114	100	84	92	83	36	52	68	93
Other direct benefits	972	304	162	89	95	83	68	47	33	19	186
Original income and cash benefits	2,100	3,638	4,646	5,493	6,207	6,919	7,679	8,582	9,847	13,765	6,887
Direct taxes	10	315	636	883	1,082	1,299	1,568	1,774	2,274	3,257	1,310
Disposable income	2,090	3,324	4,010	4,610	5,126	5,621	6,111	6,808	7,573	10,509	5,578
Subsidies	205	206	141	145	115	135	133	124	138	135	148
Indirect taxes	484	784	954	1,051	1,172	1,207	1,502	1,420	1,641	1,959	1,218
Income after all taxes and transfers	1,810	2,746	3,198	3,702	4,068	4,547	4,743	5,512	6,071	8,684	4,508
Direct benefits in kind											
Education	738	734	670	589	681	540	617	577	585	658	639
National Health Service	338	374	384	388	385	366	375	373	382	412	378
Welfare foods	109	71	44	31	38	25	34	32	29	19	43
Income after all taxes and benefits	2,996	3,925	4,296	4,711	5,173	5,478	5,769	6,494	7,067	9,773	5,568
1972											
Deciles	*849*	*1,465*	*2,012*	*2,419*	*2,748*	*3,106*	*4,004*	*4,004*	*4,850*		
(vii) **Other households**											
Number of households in the sample	159	160	159	159	160	159	159	159	160	159	1,593
Original income	315	1,187	1,776	2,213	2,584	2,929	3,304	3,726	4,360	6,117	2,851
Direct benefits in each											
Family allowance	59	48	47	31	29	22	26	18	28	23	33
Pensions	271	229	165	128	80	70	64	63	56	53	117
Unemployment/sickness/injury benefit	77	82	65	44	35	37	36	30	23	13	45
Other direct benefits	303	98	36	21	33	16	18	25	10	11	56
Original income and cash benefits	1,022	1,645	2,089	2,437	2,760	3,074	3,449	3,863	4,479	6,217	3,103
Direct taxes	5	105	190	317	362	447	544	648	811	1,247	468
Disposable income	1,018	1,540	1,898	2,119	2,398	2,627	2,904	3,215	3,668	4,970	2,635
Subsidies	50	42	43	43	36	40	39	30	40	33	40
Indirect taxes	232	376	462	488	531	589	617	713	816	951	577
Income after all taxes and transfers	836	1,206	1,479	1,674	1,903	2,078	2,326	2,532	2,892	4,052	2,098
Direct benefits in kind											
Education	372	296	321	301	288	278	264	248	284	309	296
National Health Service	129	148	155	143	141	137	142	133	150	151	143
Welfare foods	42	30	12	11	6	5	8	5	7	4	13
Income after all taxes and benefits	1,378	1,681	1,969	2,129	2,339	2,497	2,740	2,917	3,332	4,517	2,550

Average incomes, taxes and benefits, 1972 and 1977

By decile groups of disposable income

TABLE 4

	£ per year										
	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
1977											
Deciles	*1,326*	*1,859*	*2,474*	*3,045*	*3,577*	*4,137*	*4,726*	*5,478*	*6,742*		
All households											
Number of households in the sample	720	720	719	720	720	720	720	719	720	720	7,198
Original income	216	619	1,686	2,629	3,626	4,377	5,114	6,006	7,307	10,756	4,234
Direct benefits in cash											
Family allowance/child benefit	4	10	25	41	56	57	59	61	60	63	43
Pensions	678	818	593	411	252	216	183	154	150	179	363
Unemployment/sickness/injury benefit	11	28	67	78	70	62	63	55	43	61	54
Other direct benefits	198	214	143	132	79	67	64	66	54	58	107
Original income and cash benefits	1,107	1,688	2,514	3,291	4,084	4,779	5,482	6,341	7,614	11,116	4,802
Direct taxes	34	95	347	525	765	927	1,073	1,269	1,565	2,351	895
Disposable income	1,073	1,594	2,167	2,766	3,318	3,853	4,409	5,073	6,050	8,765	3,907
Subsidies	175	176	142	127	115	103	101	85	89	96	121
Indirect taxes	241	346	521	657	761	874	955	1,057	1,238	1,577	823
Income after all taxes and transfers	1,008	1,424	1,788	2,235	2,672	3,081	3,555	4,101	4,901	7,283	3,205
Direct benefits in kind											
Education	100	71	148	241	298	334	354	387	445	514	289
National Health Service	204	273	281	287	290	293	294	309	315	356	290
Welfare foods	2	9	22	24	29	30	30	34	31	30	24
Income after all taxes and benefits	1,314	1,778	2,239	2,786	3,289	3,737	4,233	4,830	5,691	8,183	3,808
1972											
Deciles	*623*	*933*	*1,222*	*1,485*	*1,741*	*1,971*	*2,253*	*2,617*	*3,232*		
All households											
Number of households in the sample	702	701	702	702	702	701	702	702	701	702	7,017
Original income	91	353	934	1,351	1,723	2,028	2,329	2,760	3,330	5,073	1,997
Direct benefits in cash											
Family allowance	1	5	15	23	27	26	31	28	26	28	21
Pensions	295	337	179	120	86	69	63	50	60	61	133
Unemployment/sickness/injury benefit	10	22	41	36	34	31	30	30	24	22	28
Other direct benefits	91	92	49	33	22	25	15	20	16	16	38
Original income and cash benefits	487	810	1,217	1,564	1,891	2,180	2,470	2,887	3,456	5,200	2,216
Direct taxes	8	41	138	209	273	324	362	459	566	939	332
Disposable income	479	769	1,080	1,355	1,618	1,856	2,108	2,428	2,890	4,261	1,884
Subsidies	30	37	35	29	32	25	25	25	23	23	28
Indirect taxes	110	177	272	335	373	409	454	516	597	783	403
Income after all taxes and transfers	399	629	843	1,049	1,277	1,472	1,679	1,937	2,316	3,501	1,510
Direct benefits in kind											
Education	48	40	73	112	135	136	185	187	206	236	136
National Health Service	79	105	104	112	118	116	117	111	119	129	111
Welfare foods	1	4	7	8	7	7	9	9	8	7	7
Income after all taxes and benefits	527	778	1,026	1,281	1,537	1,730	1,990	2,244	2,649	3,874	1,764

Average incomes, taxes and benefits, 1977

By ranges of original income

TABLE 5

	£ per year																
	Under 381	381–	557–	816–	987–	1,194–	1,446–	1,749–	2,116–	2,561–	3,099–	3,750–	4,537–	5,490–	6,642	8,038 and above	Average over all income ranges
All households																	
Number of households in the sample	1,094	193	190	92	111	130	137	189	290	370	573	728	839	828	620	814	7,198
Original income	97	463	685	897	1,089	1,320	1,595	1,930	2,357	2,839	3,430	4,165	5,010	6,034	7,279	10,745	4,234
Direct benefits in cash:																	
Family allowance/child benefit	16	11	16	9	18	21	21	29	41	42	54	57	58	59	57	52	43
Retirement and old age pension	766	873	823	864	799	628	549	446	298	220	154	108	89	61	51	82	296
Widows' pension	37	40	48	17	60	60	59	74	80	42	17	23	17	17	15	13	29
Disablement and war disability pension	8	10	—	9	—	35	4	2	1	3	7	4	4	6	4	7	6
Invalidity pension and allowances	82	43	54	25	31	111	71	67	27	35	24	16	14	14	4	12	32
Mobility allowance	14	16	6	24	—	12	17	2	6	2	6	7	6	5	8	3	7
Unemployment benefit	23	19	78	58	74	35	68	57	40	37	21	28	17	23	21	17	28
Sickness/industrial injury benefit	7	20	17	18	33	49	67	55	54	48	42	27	27	20	21	16	26
Industrial injury disablement benefit	11	9	9	12	11	9	8	15	6	4	5	8	1	6	8	2	7
Family income supplement	—	—	1	—	2	4	10	2	9	—	—	—	—	—	—	—	1
Supplementary benefit	339	99	67	68	105	81	78	86	98	53	25	24	19	15	16	12	81
Maternity benefit	—	—	—	5	—	—	1	2	1	8	7	8	6	4	4	2	4
Death/maternity grant	1	1	1	1	1	2	—	1	1	2	2	2	2	1	1	1	1
Redundancy payment	—	—	1	1	—	—	2	—	—	1	1	1	1	1	1	1	1
Other cash benefits	9	12	6	13	19	12	—	15	16	6	5	3	5	1	2	1	5
Original income *plus* cash benefits	1,411	1,617	1,812	2,020	2,243	2,377	2,550	2,781	3,036	3,342	3,801	4,482	5,276	6,266	7,493	10,966	4,802
Direct taxes:																	
National Insurance	—	1	−1	2	6	15	33	49	86	119	154	191	228	269	319	385	172
Income tax and surtax	2	13	43	90	102	125	151	220	263	368	483	636	786	1,019	1,306	2,248	723
Disposable income	1,409	1,603	1,769	1,928	2,135	2,237	2,365	2,512	2,687	2,855	3,165	3,656	4,263	4,978	5,867	8,334	3,907
Subsidies																	
Housing subsidy	197	120	114	79	83	158	139	114	133	109	87	82	82	61	65	48	101
Food subsidy	7	7	8	7	8	9	9	10	9	10	11	12	13	13	13	15	11
Rail travel subsidy	1	1	1	5	3	4	2	5	6	4	6	7	7	11	11	32	9
Indirect taxes:																	
Local rates	77	77	86	82	96	96	96	107	106	101	109	118	128	136	148	186	119
On final goods and services	132	178	213	226	239	273	314	353	351	442	444	520	580	645	785	943	498
Intermediate products	73	90	97	106	115	121	131	149	151	162	181	202	229	263	298	402	205
Income after all taxes and transfers	1,332	1,386	1,496	1,606	1,780	1,918	1,975	2,032	2,228	2,273	2,535	2,918	3,426	4,019	4,726	6,897	3,205
Direct benefits in kind:																	
Education benefit	109	117	111	122	180	165	185	237	277	285	281	327	342	368	417	442	289
National Health Service	270	286	292	287	305	277	272	270	270	276	283	288	293	291	303	330	290
Welfare foods	16	8	12	15	18	21	18	23	33	25	25	27	27	28	31	25	24
Income after all taxes and benefits	1,727	1,797	1,911	2,030	2,282	2,381	2,451	2,561	2,809	2,859	3,124	3,561	4,089	4,707	5,477	7,695	3,808

Quantile shares of income by household type—1977

TABLE 6

	Percentage share of total income in groups of 5 per cent of households																		
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	Total
1 adult																					
Pensioner																					
Original income	—	—	—	—	—	—	—	—	0·2	0·6	1·3	2·5	3·4	5·1	7·2	9·2	11·9	14·5	17·7	26·6	100·0
Disposable income	3·5	3·8	4·0	4·2	4·3	4·4	4·6	4·7	4·8	4·9	5·1	5·2	5·3	5·4	5·5	5·6	5·7	5·9	6·1	7·1	100·0
Income after all taxes and benefits	3·1	3·7	3·9	4·1	4·2	4·3	4·5	4·6	4·7	4·9	5·0	5·1	5·3	5·5	5·6	5·7	5·8	6·1	6·5	7·4	100·0
Non-pensioner, retired																					
Original income	0·5	1·3	1·5	1·6	1·7	1·9	2·0	2·3	2·4	2·7	3·1	3·5	3·9	4·6	5·1	5·9	7·3	9·7	13·2	25·6	100·0
Disposable income	3·0	3·2	3·3	3·4	3·5	3·6	3·7	3·8	4·0	4·1	4·2	4·4	4·6	4·9	5·2	5·5	6·1	7·4	8·8	13·4	100·0
Income after all taxes and benefits	2·7	3·3	3·5	3·6	3·7	3·8	3·9	4·1	4·2	4·3	4·5	4·7	4·8	5·0	5·3	5·6	6·1	6·9	8·0	12·1	100·0
Non-pensioner, non-retired																					
Original income	—	0·4	1·1	1·6	2·2	2·8	3·3	3·8	4·1	4·4	4·8	5·2	5·5	5·9	6·5	7·1	7·7	8·8	10·1	14·4	100·0
Disposable income	1·3	2·0	2·4	2·8	3·1	3·4	3·6	3·8	4·1	4·3	4·5	4·8	5·2	5·6	6·0	6·5	7·1	7·8	8·8	12·9	100·0
Income after all taxes and benefits	1·4	2·3	2·6	2·9	3·2	3·5	3·7	3·9	4·1	4·3	4·6	4·9	5·2	5·5	5·9	6·4	6·9	7·6	8·7	12·5	100·0
2 adults																					
Pensioner																					
Original income	—	—	—	—	—	0·2	0·9	1·8	3·0	3·7	4·6	5·2	6·0	6·8	7·9	8·7	9·6	10·7	11·8	19·1	100·0
Disposable income	3·8	4·0	4·2	4·3	4·4	4·5	4·6	4·7	4·7	4·8	4·9	4·9	5·0	5·1	5·2	5·4	5·7	5·9	6·4	7·6	100·0
Income after all taxes and benefits	3·2	3·7.	4·0	4·2	4·3	4·4	4·6	4·7	4·7	4·8	5·0	5·1	5·2	5·3	5·5	5·7	5·9	6·1	6·4	7·1	100·0
Non-pensioner, retired																					
Original income	—	0·7	1·3	1·5	1·6	1·9	2·1	2·4	2·7	2·9	3·2	3·6	4·0	4·6	5·3	6·4	7·8	9·8	13·3	24·8	100·0
Disposable income	2·3	3·0	3·2	3·3	3·5	3·6	3·7	3·9	4·1	4·2	4·4	4·5	4·8	5·0	5·3	5·8	6·3	7·0	8·6	13·4	100·0
Income after all taxes and benefits	1·8	3·0	3·4	3·6	3·7	3·9	4·0	4·2	4·3	4·4	4·6	4·7	4·9	5·0	5·2	5·6	6·1	6·8	8·2	12·6	100·0
Non-pensioner, non-retired																					
Original income	0·5	1·5	2·1	2·6	3·0	3·3	3·6	4·0	4·3	4·6	4·9	5·2	5·5	5·8	6·1	6·6	7·1	7·8	8·7	12·9	100·0
Disposable income	1·8	2·5	2·8	3·1	3·4	3·6	3·9	4·1	4·3	4·5	4·8	5·0	5·2	5·5	5·8	6·2	6·6	7·2	8·1	11·7	100·0
Income after all taxes and benefits	1·7	2·6	2·9	3·2	3·4	3·6	3·9	4·1	4·3	4·5	4·7	4·9	5·2	5·4	5·7	6·1	6·6	7·2	8·2	12·0	100·0

Quantile shares of income by household type—1977

TABLE 6 (*continued*)

	Percentage share of total income in groups of 5 per cent of households																		
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	Total
2 adults, 1 child																					
Original income	0·7	2·1	2·7	3·2	3·5	3·7	3·9	4·2	4·3	4·6	4·8	5·1	5·3	5·6	5·9	6·2	6·7	7·3	8·2	11·9	100·0
Disposable income	2·1	2·7	3·0	3·3	3·6	3·8	3·9	4·1	4·3	4·6	4·8	5·0	5·2	5·4	5·7	6·0	6·4	7·0	7·8	11·3	100·0
Income after all taxes and benefits	1·9	2·8	3·1	3·3	3·5	3·8	4·0	4·2	4·4	4·6	4·8	5·0	5·3	5·5	5·7	6·0	6·4	6·9	7·6	11·1	100·0
2 adults, 2 children																					
Original income	0·7	2·2	2·8	3·2	3·4	3·7	3·9	4·2	4·4	4·5	4·8	5·0	5·3	5·6	5·9	6·2	6·5	7·3	8·6	11·9	100·0
Disposable income	2·1	2·8	3·2	3·4	3·6	3·8	4·0	4·2	4·4	4·5	4·7	4·9	5·2	5·4	5·7	6·0	6·3	6·9	8·0	10·8	100·0
Income after all taxes and benefits	2·2	2·9	3·3	3·5	3·7	3·9	4·1	4·3	4·5	4·6	4·8	5·0	5·2	5·4	5·6	5·9	6·3	6·8	7·8	10·0	100·0
2 adults, 3 children																					
Original income	0·6	1·9	2·5	2·8	3·1	3·4	3·6	3·8	4·1	4·3	4·4	4·7	5·0	5·2	5·5	5·9	6·6	7·5	9·5	15·5	100·0
Disposable income	2·1	2·8	3·0	3·1	3·4	3·6	3·7	4·0	4·2	4·3	4·5	4·7	4·9	5·2	5·4	5·9	6·5	7·4	8·8	12·6	100·0
Income after all taxes and benefits	2·2	2·9	3·1	3·4	3·6	3·8	4·0	4·1	4·3	4·5	4·7	4·9	5·1	5·3	5·6	5·9	6·4	7·2	8·1	10·9	100·0
2 adults, 4 children																					
Original income	—	0·5	1·7	2·7	3·0	3·2	3·7	4·1	4·4	4·7	5·0	5·2	5·4	5·8	6·4	7·1	7·4	8·3	9·9	11·5	100·0
Disposable income	1·8	2·8	3·0	3·1	3·4	3·8	4·0	4·3	4·4	4·6	4·8	5·1	5·2	5·5	5·9	6·3	7·1	7·5	8·3	9·2	100·0
Income after all taxes and benefits	2·2	3·0	3·3	3·6	3·8	4·1	4·2	4·4	4·5	4·7	4·8	5·0	5·3	5·6	5·9	6·2	6·5	7·0	7·6	8·2	100·0
All households in the sample																					
Original income	—	—	0·3	0·6	1·3	2·1	2·9	3·5	4·0	4·5	5·0	5·4	5·9	6·4	6·9	7·5	8·2	9·2	10·7	15·5	100·0
Disposable income	1·2	1·6	1·9	2·2	2·6	3·0	3·4	3·7	4·1	4·4	4·8	5·1	5·5	5·8	6·3	6·7	7·3	8·1	9·3	13·1	100·0
Income after all taxes and benefits	1·3	1·7	2·0	2·4	2·7	3·0	3·3	3·7	4·0	4·4	4·7	5·0	5·4	5·8	6·2	6·7	7·3	8·1	9·3	13·0	100·0

Average incomes before and after taxes and benefits—1961–1977

TABLE 7

	Average income					Percentage of original income					Percentage of corresponding income in 1961			
	£ per year					Percentages					1961 =100			
	1961	1965	1969	1976	1977	1961	1965	1969	1976	1977	1965	1969	1976	1977
Retired and non-retired households														
1 adult														
Original income	312	420	510	1,343	1,459	100	100	100	100	100	135	163	430	468
Disposable income	375	502	618	1,613	1,834	120	120	121	120	126	134	165	430	489
Income after all taxes and benefits	341	439	546	1,576	1,774	109	105	107	117	122	129	160	462	520
2 adults														
Original income	824	1,007	1,351	3,471	3,873	100	100	100	100	100	122	164	421	470
Disposable income	809	988	1,273	3,215	3,659	98	98	94	93	94	122	157	397	452
Income after all taxes and benefits	698	828	1,054	2,931	3,310	85	82	78	84	85	119	151	420	474
2 adults, 1 child														
Original income	1,016	1,281	1,586	4,328	4,838	100	100	100	100	100	126	156	426	476
Disposable income	921	1,148	1,398	3,604	4,126	91	90	88	83	85	125	152	391	448
Income after all taxes and benefits	836	1,032	1,220	3,476	3,860	82	81	77	80	80	123	146	416	462
2 adults, 2 children														
Original income	1,026	1,245	1,762	4,539	5,160	100	100	100	100	100	121	172	442	503
Disposable income	961	1,159	1,582	3,816	4,401	94	93	90	84	85	121	165	397	458
Income after all taxes and benefits	936	1,113	1,473	3,909	4,480	91	89	84	86	87	119	157	418	479
2 adults, 3 children														
Original income	967	1,289	1,705	4,726	5,637	100	100	100	100	100	133	176	489	583
Disposable income	962	1,225	1,618	4,040	4,876	99	95	95	85	86	127	168	420	507
Income after all taxes and benefits	1,008	1,263	1,625	4,567	5,403	104	98	95	97	96	125	161	453	536
2 adults, 4 children														
Original income	1,030	1,219	1,638	4,272	4,310	100	100	100	100	100	118	159	415	418
Disposable income	1,023	1,227	1,650	3,911	4,220	99	101	101	92	98	120	161	382	413
Income after all taxes and benefits	1,123	1,343	1,760	4,966	5,400	109	110	107	116	125	120	157	442	481
3 adults														
Original income	1,282	1,616	2,140	5,705	6,153	100	100	100	100	100	126	167	445	480
Disposable income	1,197	1,475	1,907	4,851	5,323	93	91	89	85	87	123	159	405	445
Income after all taxes and benefits	1,035	1,248	1,609	4,334	4,806	81	77	75	76	78	121	155	419	464
3 adults, 1 child														
Original income	1,457	1,571	2,123	5,971	6,507	100	100	100	100	100	108	146	410	447
Disposable income	1,280	1,453	1,879	4,929	5,642	88	92	89	83	87	114	147	385	441
Income after all taxes and benefits	1,182	1,387	1,743	4,924	5,677	81	88	82	82	87	117	147	417	480
3 adults, 2 children														
Original income	1,289	1,661	2,232	5,925	6,307	100	100	100	100	100	129	173	460	489
Disposable income	1,214	1,565	2,070	5,328	5,735	94	94	93	90	91	129	171	439	472
Income after all taxes and benefits	1,190	1,607	2,014	5,790	6,170	92	97	90	98	98	135	169	487	518
4 adults														
Original income	1,742	2,064	2,789	8,105	8,415	100	100	100	100	100	118	160	465	483
Disposable income	1,558	1,860	2,456	6,518	6,991	89	90	88	80	83	119	158	418	449
Income after all taxes and benefits	1,352	1,625	2,079	6,014	6,400	78	79	75	74	76	120	154	445	473
All households in the sample														
Original income	960	1,172	1,519	3,781	4,234	100	100	100	100	100	122	158	394	441
Disposable income	922	1,121	1,421	3,414	3,907	96	96	94	90	92	122	154	370	424
Income after all taxes and benefits	847	1,019	1,271	3,354	3,808	88	87	84	89	90	120	150	396	450

Distribution of households co-operating in the Family Expenditure Survey, 1972 and 1977

By decile groups of original income

TABLE 8

	Decile groups										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	All households
1977											
1 adult retired	406	298	107	22	8	5	5	2	2	2	857
2 adults retired	152	264	168	38	20	9	6	8	6	9	680
1 adult non-retired	35	46	123	145	80	52	31	25	15	10	562
2 adults non-retired	24	32	148	207	204	193	224	226	195	158	1,611
2 adults, 1–4 children	33	24	89	208	305	343	294	276	189	163	1,924
Others	70	56	84	100	103	118	160	182	313	378	1,564
Number of households in the sample	720	720	719	720	720	720	720	719	720	720	7,198
Average original income (£ per year)	20	392	1,442	2,703	3,607	4,411	5,194	6,096	7,392	11,094	4,234
1972											
1 adult retired	396	206	64	8	7	3	1	2	3	4	694
2 adults retired	175	244	82	23	11	10	5	2	7	7	566
1 adult non-retired	33	72	135	100	63	32	23	20	13	9	500
2 adults non-retired	25	82	163	207	200	184	197	191	179	146	1,574
2 adults, 1–4 children	23	26	152	256	324	354	316	280	196	163	2,090
Others	50	71	106	108	97	118	160	207	303	373	1,593
Number of households in the sample	702	701	702	702	702	701	702	702	701	702	7,017
Average original income (£ per year)	21	284	871	1,354	1,719	2,029	2,378	2,786	3,374	5,157	1,997

Distribution of households co-operating in the Family Expenditure Survey, 1972 and 1977

By decile groups of original income plus cash benefits

TABLE 9

	Decile groups										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	All households
1977											
1 adult retired	567	193	47	23	8	5	6	4	1	3	857
2 adults retired	21	308	202	59	30	20	10	8	10	12	680
1 adult non-retired	76	75	121	108	64	45	31	17	16	9	562
2 adults non-retired	18	46	142	220	208	208	223	212	197	137	1,611
2 adults, 1–4 children	11	31	140	233	304	330	274	270	169	162	1,924
Others	27	67	67	77	106	112	176	208	327	397	1,564
Number of households in the sample	720	720	719	720	720	720	720	719	720	720	7,198
Average original income *plus* cash benefits (£ per year)	1,090	1,658	2,431	3,267	4,014	4,740	5,476	6,357	7,640	11,343	4,802
1972											
1 adult retired	516	109	42	6	5	4	2	1	4	5	694
2 adults retired	67	296	99	41	19	13	9	7	7	8	566
1 adult non-retired	76	90	122	79	46	30	21	16	12	8	500
2 adults non-retired	17	95	166	226	187	191	194	187	178	133	1,574
2 adults, 1–4 children	5	43	184	272	341	326	310	260	191	158	2,090
Others	21	68	89	78	104	137	166	231	309	390	1,593
Number of households in the sample	702	701	702	702	702	701	702	702	701	702	7,017
Average original income *plus* cash benefits (£ per year)	484	799	1,194	1,547	1,873	2,162	2,481	2,890	3,474	5,257	2,216

Distribution of households co-operating in the Family Expenditure Survey, 1972 and 1977

By decile groups of disposable income

TABLE 10

	Decile groups										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	All households
1977											
1 adult retired	552	215	40	23	10	5	5	3	4	—	857
2 adults retired	18	268	206	83	38	25	13	6	14	9	680
1 adult non-retired	89	108	134	82	54	38	26	10	12	9	562
2 adults non-retired	20	43	162	224	219	228	227	199	166	123	1,611
2 adults, 1–4 children	14	27	128	235	302	305	292	259	196	166	1,924
Others	27	59	49	73	97	119	157	242	328	413	1,564
Number of households in the sample	720	720	719	720	720	720	720	719	720	720	7,198
Average disposable income (£ per year)	1,073	1,594	2,167	2,766	3,318	3,853	4,409	5,073	6,050	8,765	3,907
1972											
1 adult retired	514	120	34	7	3	6	2	1	3	4	694
2 adults retired	58	285	106	49	27	15	9	5	6	6	566
1 adult non-retired	89	112	114	74	37	28	16	19	3	8	500
2 adults non-retired	15	86	208	223	186	218	175	172	173	118	1,574
2 adults, 1–4 children	4	40	167	269	353	307	322	268	189	171	2,090
Others	22	58	73	80	96	127	178	237	327	395	1,593
Number of households in the sample	702	701	702	702	702	701	702	702	701	702	7,017
Average disposable income (£ per year)	479	769	1,080	1,355	1,618	1,856	2,108	2,428	2,890	4,261	1,884

Distribution of households co-operating in the Family Expenditure Survey, 1972 and 1977

By decile groups of income after all taxes and transfers

TABLE 11

	Decile groups										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	All households
1977											
1 adult retired	444	288	67	25	15	4	5	4	5	—	857
2 adults retired	48	173	203	139	44	26	13	13	10	11	680
1 adult non-retired	109	110	109	80	51	39	29	17	9	9	562
2 adults non-retired	47	60	158	187	214	239	205	193	173	135	1,611
2 adults, 1–4 children	41	37	121	230	287	277	284	255	214	178	1,924
Others	31	52	61	59	109	135	184	237	309	387	1,564
Number of households in the sample	720	720	719	720	720	720	720	719	720	720	7,198
Average income after all taxes and transfers (£ per year)	886	1,386	1,795	2,218	2,664	3,097	3,557	4,130	4,937	7,318	3,205
1972											
1 adult retired	454	156	49	15	3	3	5	1	4	4	694
2 adults retired	81	222	136	53	29	15	10	7	4	9	566
1 adult non-retired	81	108	107	81	47	26	17	17	10	6	500
2 adults non-retired	33	98	186	197	227	190	188	173	157	125	1,574
2 adults, 1–4 children	25	63	153	264	292	337	295	270	213	178	2,090
Others	28	54	71	92	104	130	187	234	313	380	1,593
Number of households in the sample	702	701	702	702	702	701	702	702	701	702	7,017
Average income after all taxes and transfers (£ per year)	364	609	826	1,053	1,262	1,467	1,678	1,955	2,343	3,543	1,510

Distribution of households co-operating in the Family Expenditure Survey, 1972 and 1977

By decile groups of income after all taxes and benefits

TABLE 12

	Decile groups										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	All households
1977											
1 adult retired	478	288	47	23	6	6	3	4	2	—	857
2 adults retired	32	155	244	150	41	21	12	8	10	7	680
1 adult non-retired	131	140	108	69	50	31	14	9	4	6	562
2 adults non-retired	41	82	187	247	279	235	187	158	118	77	1,611
2 adults, 1–4 children	19	34	82	175	252	283	320	310	252	197	1,924
Others	19	21	51	56	92	144	184	230	334	433	1,564
Number of households in the sample	720	720	719	720	720	720	720	719	720	720	7,198
Average income after all taxes and benefits (£ per year)	1,141	1,674	2,166	2,668	3,198	3,709	4,253	4,914	5,867	8,491	3,808
1972											
1 adult retired	487	144	36	8	5	5	1	2	3	3	694
2 adults retired	59	236	151	57	26	11	11	3	8	4	566
1 adult non-retired	99	144	101	68	36	17	19	9	5	2	500
2 adults non-retired	34	114	230	259	236	208	152	150	106	85	1,574
2 adults, 1–4 children	13	33	131	214	294	333	343	283	247	199	2,090
Others	10	30	53	96	105	127	176	255	332	409	1,593
Number of households in the sample	702	701	702	702	702	701	702	702	701	702	7,017
Average income after all taxes and benefits (£ per year)	463	732	976	1,242	1,487	1,730	1,976	2,280	2,732	4,018	1,764

Employment analysed by sector and industry, 1972-77

Introduction

This article presents mid-year estimates of employment in the United Kingdom from 1972 to 1977 analysed by sector and by broad industry group. Corresponding estimates up to 1976 have been published in previous articles in *Economic Trends*[1]. The estimates now published for 1977 are provisional.

Within the context of an overall increase of nearly half a million in the total employed labour force between mid-1972 and mid-1977, the major developments were a reduction of nearly 600,000 in the total employed in private sector manufacturing industries (about a quarter of which was the result of the shift to the public corporations sector on the nationalisation of much of the aerospace and shipbuilding industries), and an increase of nearly 1·2 million in civilians employed in services other than transport and communication (over 650,000 of them in central government and local authorities – mostly in education, health and social services). The net transfer of resources from the private sector to central government and local authorities was not as large as implied by these figures, which are based on numbers of jobs with no adjustment for hours worked. The fall in private sector manufacturing industries was in full-time employment (both males and females), whereas well over half of the increase in employment in education, health and social services in central government and local authorities between mid-1972 and mid-1977 was in the number of part-time female employees.

Definitions of sectors

As before, the tables have been compiled by the Central Statistical Office. The sectors used are the same as in the national accounts. Full definitions of the sectors are given in *National Accounts Statistics: Sources and Methods*[2], as brought up to date by the Notes in *National Income and Expenditure 1967–77*, the Blue Book[3].

In brief, the central government sector consists of all government departments (including the Northern Ireland departments), together with HM Forces and Women's Services and a number of other organisations such as the National Health Service, the United Kingdom Atomic Energy Authority, and the Forestry Commission. Civilian employment by central government therefore differs from employment in the civil service and covers a much larger group.

The local authorities sector consists of all local government authorities which have power to raise funds by means of rates or levies. It embraces all functions of those authorities (including, for example, their education services and construction departments), and is therefore much wider than the activity 'local government service' as defined in the Standard Industrial Classification.

The public corporations sector consists of the nationalised industries, the Post Office and a number of other public trading bodies (for example, the Bank of England, the British Broadcasting Corporation, the Civil Aviation Authority and, from 1974, the new regional water authorities), whose finances are not subject to detailed control by Parliament. The sector was extended from 1977 with the establishment of British Aerospace and British Shipbuilders as public corporations. Most companies which are wholly or partly owned directly by central government, and companies which are subsidiaries of the National Enterprise Board, are classified to the companies sector which forms part of the private sector. But companies which are subsidiaries of other public corporations are classified as public corporations.

Sources of the statistics

The figures for total employees in employment* and for self-employed persons in each industry are aggregated from those compiled and published by the Department of Employment and the Department of Manpower Services, Northern Ireland[4]. For employees in Great Britain the figures for 1977 are taken from the provisional quarterly series, as the results of the annual census of employment for 1977 are not yet available. For the self-employed (who may or may not have employees) the latest estimates are for 1975: pending availability of more recent estimates from the 1977 Labour Force Survey, the figures for 1975 have been repeated for 1976 and 1977.

Estimates of employment in central government and the public corporations are mostly derived from the central records of the organisations concerned. Efforts are made to ensure, as far as is possible, that the figures derived from different sources are consistent. For example, in order to be consistent with the data for total employees, the estimates seek to measure the number of *jobs* (not persons) with no adjustment for hours worked or the extent of part-time working. However the absence of a common source leaves scope for error, particularly in the estimates for the private sector where the figures are derived as residuals (that is, by subtracting the estimates of employment in central government, local authorities and public corporations from the industry totals).

Up to and including 1974 the figures for employment by local authorities in Great Britain were based on figures collected and compiled by the Department of Employment with the co-operation of local authorities in England, Wales and Scotland. Additions were made for Northern Ireland, and to include the staffs of magistrates' courts and the probation service, employees of parish councils and certain other local bodies, and the civilian employees of police forces, who were not included in the Department of Employment's survey of local authorities. (They were of course included in the total of employees in employment.)

From 1975, figures from the Joint Manpower Watch surveys undertaken on behalf of the central and local government by the Local Authorities' Conditions of Service

* Employees permanently based overseas are excluded.

Advisory Board form the basis of the figures for local authorities in England and Wales[5]. This survey covers all the services for which local authorities in England and Wales are responsible, including most of the bodies for which previously separate estimates had to be made. Apart from this increased coverage the new series is broadly comparable with the previous one, although inevitably there are some differences because the returns for the new survey are not collected on exactly the same basis or for the same purpose as those formerly made to the Department of Employment. Excluding the effect of the wider coverage, the total for the new series at mid-1975 for England and Wales together is about 27,000 less than the total reported under the former arrangements.

From 1976, the figures for Scotland are taken from a similar survey undertaken on behalf of central and local government by the National Joint Council for Local Authority Services (Scottish Councils)[6]. This new series is also broadly comparable with the previous one, but again there are some differences from the former source. The total for the new series for Scotland at mid-1976 was about 5,000 less than the total reported under the former arrangements.

These discontinuities should be borne in mind if figures for 1975 or later are compared with those for earlier years. Employees recruited under the Job Creation Programme are included in employment by local authorities, both in England and Wales and in Scotland.

As new or improved information becomes available on employment by organisations in the different sectors it is included in the estimates. Where possible, estimates published earlier are then revised. The estimates for 1976 and 1977 have benefited from a closer study of the sectoral analysis of employment in Northern Ireland by the Department of Manpower Services. The main change is in the classification of certain employees between central government and local authorities. However, it has not yet been possible to produce estimates on a comparable basis for earlier years, so the cost of the improved figures for 1976 and 1977 is the temporary introduction of further small discontinuities into the series.

TABLE A **Employment in central government, local authorities and public corporations, mid-1977.**

	Thousands
Central government	
HM forces and Women's Services	327
National Health Service	1,155
Other central government (including the UK civil service and the Northern Ireland civil service except in trading funds)	823
Total central government	2,305
Local authorities	
Education services	1,561
Police (including civilian employees)	184
Other local authority services	1,254
Total local authorities	2,999
Total general government	5,304
Public corporations	
Nationalised industries (including the Post Office)	1,803
Other public corporations	286
Total public corporations	2,089

The results

Analysis by sector

The table in the appendix shows that, out of a total employed labour force of about 24·9 million in the United Kingdom at mid-1977, about 17·5 million (70·3 per cent) were employed in the private sector. Of the remaining 7·4 million, 2·1 million (8·4 per cent) were employed by public corporations, 2·3 million (9·3 per cent) by central government, and 3·0 million (12·1 per cent) by local authorities. Table A gives breakdowns within these broad categories, and shows that education services and the National Health Service accounted for slightly more than half the total employed by 'general government' (i.e. central government plus local authorities) in 1977.

Three changes in national accounts classification have caused revisions to some figures for recent years and affect comparisons over those years. The Royal Ordnance Factories, the Royal Mint and the Property Services Agency (Supplies Division) which were previously classified to central government have been reclassified as public corporations with effect from the dates when they were established as trading funds under the Government Trading Funds Act 1973. The figures for public corporations therefore now include the Royal Ordnance Factories from mid-1974, the Royal Mint from mid-1975, and the Property Services Agency (Supplies Division) from mid-1976. The number of employees transferred from the central government sector to public corporations as a result of these changes totalled about 28,000 in 1976.

Also, the nationalisation of much of the aerospace and shipbuilding industries in 1977 added about 150,000 employees of companies previously included in the private sector to the public corporations total.

The number employed in general government fell by 33,000 between mid-1976 and mid-1977. Almost all of the 10,000 reduction in central government employment was in HM Forces and Women's Services, a slight increase in the National Health Service being offset by net reductions elsewhere in central government. Employment in local authorities fell by 23,000 (8,000 in education services) between mid-1976 and mid-1977. Overall, employment in education, health, and social services in general government was virtually unchanged compared with mid-1976. Public corporations employment increased by 109,000 between mid-1976 and mid-1977, wholly due to the establishment of British Aerospace and British Shipbuilders. Employment by public corporations in existence at mid-1976 fell by 41,000 over this period. For the second year running the work forces of all the major employers amongst nationalised industries were reduced. With the provisional figures suggesting that the total employed labour force increased by about 110,000, it is estimated that employment in the private sector increased by about 30,000 between mid-1976 and mid-1977.

But for the extension of the public corporations sector, the provisional figures suggest that the private sector's share of total employment would have increased in 1977 for the first time since 1973. In the event its share was unchanged from 1976 at about 70 per cent. Early indications are that this share may have remained at about the same level in

mid-1978. Numbers employed by local authorities may have increased slightly, but were probably offset by a slight reduction in the number employed in public corporations. In central government, it seems that employment in the National Health Service has continued to increase, but this is offset by probable reductions elsewhere. Thus, the very small increase in total employment between mid-1977 and mid-1978 shown by the provisional estimates may have been concentrated in the private sector.

Comparisons over the whole period 1972–1977 are comlicated by the transfers which took place between June 1973 and June 1974 both between local authorities and central government (where there was a transfer of staff following the reorganisation of the National Health Service) and between local authorities and public corporations (for example, the transfer to public corporations with the setting up of the regional water authorities following the reorganisation of local government in England and Wales). An additional complication is the reclassification as public corporations of the Royal Mint, the Royal Ordnance Factories, and the Property Services Agency (Supplies Division), as mentioned above.

TABLE B **Changes in employment**

	1972–1977		1975–1977	
	Thousands	*Percentage change*	Thousands	*Percentage change*
Total employed labour force	+483	*+ 2·0*	− 58	*−0·2*
Private sector	−231	*− 1·3*	−183	*−1·0*
Public corporations	+160	*+ 8·3*	+ 56	*+2·8*
General government	+554	*+11·7*	+ 69	*+1·3*
of which				
Central government	+326	*+16·5*	+ 63	*+2·8*
Local authorities	+228	*+ 8·2*	+ 6	*+0·2*
of which				
Health and social services	+362	*+32·4*	+ 87	*+6·3*
Education services	+196	*+14·4*	+ 7	*+0·5*
Other	− 4	*− 0·2*	− 25	*−1·1*

The broad picture from Table B is clear, however. The total employed labour force increased by almost 500,000 between mid-1972 and mid-1977. Private sector employment fell by over 200,000 (although about two-thirds of this reduction was the result of the nationalisation of much of aerospace and shipbuilding). Employment in public corporations in existence throughout the period fell by about 100,000 between mid-1972 and mid-1977, but the various transfers to the sector referred to above turned this into an increase of more than 150,000. General government employment increased by about 550,000 (females working part-time accounted for about 60 per cent of the increase), the result of the growth in education, health and social services. Between mid-1975 and mid-1977, there was little growth in education services, or in local authorities' employment generally, and what growth there was in general government was in health and social services.

At mid-1977, it is estimated that females outnumbered males within civilian employment by general government in a ratio of about 4 to 3, compared with a ratio of 3 male employees to 2 females in the private sector. About 30 per cent of all civilian employees in general government were employed part-time, compared with an estimated near 20 per cent in the private sector. These comparisons reflect the preponderance of female employees (particularly part-time) in education, health and social services in general government, where the ratio of females to males is about 3 to 1, and where over half of the female employees work part-time. Females working part-time are about one-quarter of all civilian employees in general government, compared with about one-seventh in the private sector.

Analysis by industry

Tables C, D and E illustrate some of the major changes in employment by industry group over the period. The table in the appendix provides additional detail.

TABLE C **Changes in civilian employment**

	Thousands	
	1972–77	1975–77
Industry group		
Primary		
Agriculture, forestry and fishing	− 51	− 6
Mining and quarrying	− 30	− 3
Secondary		
Manufacturing	− 440	−144
Construction	− 22	− 48
Gas, electricity and water	− 7	− 4
Tertiary		
Transport and communication	− 88	− 70
Other services	+1,165	+226
Total	+ 527	− 49

Table C shows that over the whole period, for every 2 additional civilians employed in the 'other services' category, 1 civilian job was lost elsewhere, the main brunt of the reduction being felt in primary industries, manufacturing, and transport and communication. The table also shows a considerable slowing down after mid-1975 in the rate of growth of employment in 'other services', the group which includes health and educational services and most other general government employment. The overall decrease in civilian employment is the result of reductions in construction, transport and communication, and manufacturing more than offsetting the increase in 'other services', even though the rate of decrease in manufacturing employment was slower than in 1972–75.

TABLE D **Changes in civilian employment**

	Thousands	
	1972–77	1975–77
Males		
Other services	+250	+ 33
Remainder	−493	−193
Total	−243	−160
Females		
Other services	+916	+193
Remainder	−145	− 82
Total	+771	+111

Table D shows that employment of both males and females increased in 'other services' and decreased elsewhere. The number working part-time in 'other services' increased by about three-quarters of a million between mid-1972 and mid-1977. Nearly four-fifths of the growth of 1·16 million in 'other services' between mid-1972 and mid-1977 was in female employment, and although the growth was at a much slower rate between mid-1975 and mid-1977, females increased their share of it to about 85 per cent.

TABLE E **Major changes in civilian employment**

		Thousands		
		Private sector	Public corporations	General government*
Manufacturing	1972–75	−299	+ 14	
	1975–77	−278	+137	
	1972–77	−577	+151	
Other services	1972–75	+338		+578
	1975–77	+135		+ 85
	1972–77	+473		+663
All industries and services	1972–75	− 48	+104	+520
	1975–77	−183	+ 56	+ 78
	1972–77	−231	+160	+598

* Central government *plus* local authorities.

Table E shows that civilian employment in manufacturing in the private sector fell throughout the period. The contrast between the accelerated rate of decline in 1975–77 shown by this table and the reduced rate shown for the same period in Table C for manufacturing in total results from the transfer to the public corporations sector in 1977 of companies in aerospace and shipbuilding which were previously in the private sector. Table E shows that the deceleration of growth in civilian employment in 'other services' in the later period was much more severe in general government than in the private sector. Whereas between mid-1972 and mid-1975 almost two-thirds of the growth in 'other services' was in general government, between mid-1975 and mid-1977 almost two-thirds of the increase was in the private sector.

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Central Statistical Office

APPENDIX

Employment by sector and by industry group[1]: United Kingdom

TABLE 1

	Total employed	Total employees in employment	Private sector						Public corporations		Central government		Local authorities	
			Total		Self-employed persons[2]		Employees							
	Thousands	Thousands	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]
At mid-year 1972														
Employed labour force	24,391		17,712	*72·6*	1,899	*7·8*	15,813	*64·8*	1,929	*7·9*	1,979	*8·1*	2,771	*11·4*
HM forces and Women's Services	371		—	—	—	—	—	—	—	—	371	*100·0*	—	—
Civilian employment	24,020	22,121	17,712	*73·7*	1,899	*7·9*	15,813	*65·8*	1,929	*8·0*	1,608	*6·7*	2,771	*11·5*
Agriculture, forestry and fishing	709	427	698	*98·4*	282	*39·8*	416	*58·7*	—	—	11	*1·6*	—	—
Mining and quarrying	380	379	53	*13·9*	1	*0·3*	52	*13·7*	327	*86·1*	—	—	—	—
Manufacturing	7,907	7,779	7,569	*95·7*	128	*1·6*	7,441	*94·1*	270	*3·4*	68	*0·9*	—	—
Construction[4]	1,674	1,300	1,510	*90·2*	374	*22·3*	1,136	*67·9*	14	*0·8*	22	*1·3*	128	*7·6*
Gas, electricity and water	356	356	1	*0·3*	—	—	1	*0·3*	321	*90·2*	—	—	34	*9·6*
Transport and communication	1,614	1,543	598	*37·1*	71	*4·4*	527	*32·7*	936	*58·0*	—	—	80	*5·0*
Other services	11,380	10,337	7,283	*64·0*	1,043	*9·2*	6,240	*54·8*	61	*0·5*	1,507	*13·2*	2,529	*22·2*
At mid-year 1973														
Employed labour force	24,971		18,193	*72·9*	1,947	*7·8*	16,246	*65·1*	1,890	*7·6*	1,998	*8·0*	2,890	*11·6*
HM forces and Women's Services	361		—	—	—	—	—	—	—	—	361	*100·0*	—	—
Civilian employment	24,610	22,663	18,193	*73·9*	1,947	*7·9*	16,246	*66·0*	1,890	*7·7*	1,637	*6·7*	2,890	*11·7*
Agriculture, forestry and fishing	713	432	702	*98·5*	281	*39·4*	421	*59·0*	—	—	11	*1·5*	—	—
Mining and quarrying	364	363	59	*16·2*	1	*0·3*	58	*15·9*	305	*83·8*	—	—	—	—
Manufacturing	7,955	7,830	7,623	*95·8*	125	*1·6*	7,498	*94·3*	265	*3·3*	67	*0·8*	—	—
Construction[4]	1,823	1,380	1,660	*91·1*	443	*24·3*	1,217	*66·8*	14	*0·8*	19	*1·0*	130	*7·1*
Gas, electricity and water	344	344	—	—	—	—	—	—	310	*90·1*	—	—	34	*9·9*
Transport and communication	1,595	1,524	596	*37·4*	71	*4·5*	525	*32·9*	928	*58·2*	—	—	71	*4·5*
Other services	11,816	10,790	7,553	*63·9*	1,026	*8·7*	6,527	*55·2*	68	*0·6*	1,540	*13·0*	2,655	*22·5*
At mid-year 1974														
Employed labour force	25,060		18,147	*72·4*	1,925	*7·7*	16,222	*64·7*	1,981	*7·9*	2,088	*8·3*	2,844	*11·3*
HM forces and Women's Services	345		—	—	—	—	—	—	—	—	345	*100·0*	—	—
Civilian employment	24,715	22,790	18,147	*73·4*	1,925	*7·8*	16,222	*65·6*	1,981	*8·0*	1,743	*7·1*	2,844	*11·5*
Agriculture, forestry and fishing	681	415	671	*98·5*	266	*39·1*	405	*59·5*	—	—	10	*1·5*	—	—
Mining and quarrying	350	349	51	*14·6*	1	*0·3*	50	*14·3*	299	*85·4*	—	—	—	—
Manufacturing	7,995	7,873	7,627	*95·4*	122	*1·5*	7,505	*93·9*	311	*3·9*	57	*0·7*	—	—
Construction[4]	1,767	1,329	1,610	*91·1*	438	*24·8*	1,172	*66·3*	6	*0·3*	16	*0·9*	135	*7·6*
Gas, electricity and water	347	347	2	*0·6*	—	—	2	*0·6*	343	*98·8*	2	*0·6*	—	—
Transport and communication	1,583	1,506	615	*38·9*	77	*4·9*	538	*34·0*	941	*59·4*	—	—	27	*1·7*
Other services	11,992	10,971	7,571	*63·1*	1,021	*8·5*	6,550	*54·6*	81	*0·7*	1,658	*13·8*	2,682	*22·4*

[1] Industries are classified according to the Standard Industrial Classification, 1968. Components may not add to totals because of rounding.

[2] With or without employees.

[3] Percentage of total employed in the industry.

[4] The figures for construction are consistent with those published by the Department of Employment. They differ from estimates of construction employees in employment and self-employed persons in Great Britain published by the Department of the Environment (for example, in table 10 of Housing and Construction Statistics) which include construction workers in building and civil engineering establishments run by public authorities whose major activities are classified to other industries (for example national or local government service) under the Standard Industrial Classification.

APPENDIX *(continued)*

Employment by sector and by industry group[1]: United Kingdom

TABLE 1 *(continued)*

	Total employed	Total employees in employment	Private sector						Public corporations		Central government		Local authorities	
			Total		Self-employed persons[2]		Employees							
	Thousands	Thousands	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]
At mid-year 1975														
Employed labour force	24,932		17,664	*70·8*	1,886	*7·6*	15,778	*63·3*	2,033	*8·2*	2,242	*9·0*	2,993	*12·0*
HM forces and Women's Services	336		—	—	—	—	—	—	—	—	336	*100·0*	—	—
Civilian employment	24,596	22,710	17,664	*71·8*	1,886	*7·7*	15,778	*64·1*	2,033	*8·3*	1,906	*7·7*	2,993	*12·2*
Agriculture, forestry and fishing	664	397	654	*98·5*	267	*40·2*	387	*58·3*	—	—	10	*1·5*	—	—
Mining and quarrying	353	352	51	*14·5*	1	*0·3*	50	*14·2*	302	*85·6*	—	—	—	—
Manufacturing	7,611	7,490	7,270	*95·5*	121	*1·6*	7,149	*93·9*	284	*3·7*	57	*0·7*	—	—
Construction[4]	1,700	1,314	1,508	*88·7*	386	*22·7*	1,122	*66·0*	13	*0·8*	15	*0·9*	164	*9·6*
Gas, electricity and water	353	353	3	*0·8*	—	—	3	*0·8*	347	*98·3*	2	*0·6*	1	*0·3*
Transport and communication	1,596	1,518	557	*34·9*	78	*4·9*	479	*30·0*	1,003	*62·8*	—	—	36	*2·3*
Other services	12,319	11,286	7,621	*61·9*	1,033	*8·4*	6,588	*53·5*	84	*0·7*	1,822	*14·8*	2,792	*22·7*
At mid-year 1976[5]														
Employed labour force	24,766		17,449	*70·5*	1,886	*7·6*	15,563	*62·8*	1,980	*8·0*	2,315	*9·3*	3,022	*12·2*
HM forces and Women's Services	336		—	—	—	—	—	—	—	—	336	*100·0*	—	—
Civilian employment	24,430	22,544	17,449	*71·4*	1,886	*7·7*	15,563	*63·7*	1,980	*8·1*	1,979	*8·1*	3,022	*12·4*
Agriculture, forestry and fishing	660	393	650	*98·5*	267	*40·5*	383	*58·0*	—	—	10	*1·5*	—	—
Mining and quarrying	349	348	53	*15·2*	1	*0·3*	52	*14·9*	296	*84·8*	—	—	—	—
Manufacturing	7,367	7,246	7,039	*95·5*	121	*1·6*	6,918	*93·9*	271	*3·7*	57	*0·8*	—	—
Construction[4]	1,695	1,309	1,494	*88·2*	386	*22·8*	1,108	*65·4*	12	*0·7*	16	*0·9*	173	*10·2*
Gas, electricity and water	353	353	10	*2·8*	—	—	10	*2·8*	335	*94·9*	2	*0·6*	6	*1·7*
Transport and communication	1,553	1,475	546	*35·1*	78	*5·0*	468	*30·1*	973	*62·7*	—	—	34	*2·2*
Other services	12,453	11,420	7,657	*61·5*	1,033	*8·3*	6,624	*53·2*	93	*0·7*	1,894	*15·2*	2,809	*22·6*
At mid-year 1977[5,6]														
Employed labour force	24,874		17,481	*70·3*	1,886	*7·6*	15,595	*62·7*	2,089	*8·4*	2,305	*9·3*	2,999	*12·1*
HM forces and Women's Services	327		—	—	—	—	—	—	—	—	327	*100·0*	—	—
Civilian employment	24,547	22,661	17,481	*71·2*	1,886	*7·7*	15,595	*63·5*	2,089	*8·5*	1,978	*8·1*	2,999	*12·2*
Agriculture, forestry and fishing	658	391	648	*98·5*	267	*40·6*	381	*57·9*	—	—	10	*1·5*	—	—
Mining and quarrying	350	349	58	*16·6*	1	*0·3*	57	*16·3*	292	*83·4*	—	—	—	—
Manufacturing	7,467	7,346	6,992	*93·6*	121	*1·6*	6,871	*92·0*	421	*5·6*	54	*0·7*	—	—
Construction[4]	1,652	1,266	1,465	*88·7*	386	*23·4*	1,079	*65·3*	14	*0·8*	16	*1·0*	157	*9·5*
Gas, electricity and water	349	349	12	*3·4*	—	—	12	*3·4*	330	*94·6*	2	*0·6*	6	*1·7*
Transport and communication	1,526	1,448	551	*36·1*	78	*5·1*	473	*31·0*	942	*61·7*	—	—	33	*2·2*
Other services	12,545	11,512	7,756	*61·8*	1,033	*8·2*	6,723	*53·6*	90	*0·7*	1,896	*15·1*	2,803	*22·3*

For footnotes [1], [2], [3], [4], see page 135.

[5] Provisional, using June 1975 estimates of self-employed.

[6] Provisional, using provisional estimates of employees in Great Britain at June 1977.

Round-up: what's new in economic statistics

Economic Progress Report

The leading article in the January issue of *Economic Progress Report* looks at the Government's expenditure plans for the period 1979/80 to 1982/83. These plans were published recently in the latest in the annual series of public expenditure White Papers (Cmnd 7439).

A second article describes how the European Monetary System (EMS) will operate. The start of the scheme, originally planned for 1 January, has been delayed pending agreement on adjustments to subsidy payments associated with the Common Agricultural Policy. The article also explains the British Government's part in and attitude towards the negotiations of the past few months and its present position.

There has been growing concern in recent years about the performance of UK manufacturing industry in home and overseas markets. A third article looks at developments in the demand for imports and exports in broad sectors of manufacturing industry in the period 1970 to 1977 in the context of the UK's overall trade performance.

A centre-page spread in the same issue of *Economic Progress Report* presents in summary form a list of policy developments and other economic measures by the Government between the end of August and the end of December 1978.

Employment Gazette

The total membership of trade unions in the United Kingdom at the end of 1977 was about 12,707,000 – about 321,000 more than at the end of the previous year. This information is contained in the regular survey of trade union membership in the January issue of *Employment Gazette*. The number of trade unions had also risen, from 472 at the end of 1976 to 480 at the end of 1977.

This issue of *Employment Gazette* also contains the latest international comparisons of industrial disputes; incidence rates of stoppages in the United Kingdom since 1974; and the final total of strikes for 1978. The latest quarterly estimates of employees in employment are also featured.

Recent CSO publications

Economic Trends Annual Supplement, No. 4, 1979 edition was published on 4 January. It provides a notes and definitions section to *Economic Trends* and contains runs of up to 30 years data for some of the main economic indicators. The tables correspond fairly closely with those in the monthly *Economic Trends* but with very long runs of annual and quarterly data.

Price index numbers for Current Cost Accounting, No. 9, was published on 17 January. This latest edition presents new series of price indices with more up-to-date weights.

Annual Abstract of Statistics, No. 115, 1979 edition was published on 22 January. It provides annual data for a very wide range of subjects, mostly for runs of eleven years.

All these publications are available from HMSO bookshops (see addresses on the back cover).

Index of sources

Data given on page 5 may be more recent than that shown elsewhere in the publication.

United Kingdom balance of payments; National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

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